Calendar No. 331

101ST CONGRESS *1st Session* | SENATE | REPORT 101-176

NATIONAL AND COMMUNITY SERVICE ACT OF 1989

OCTOBER 27 (legislative day, SEPTEMBER 18), 1989.—Ordered to be printed

Mr. KENNEDY, from the Committee on Labor and Human Resources, submitted the following

REPORT

together with

ADDITIONAL AND MINORITY VIEWS

[To accompany S. 1430]

The Committee on Labor and Human Resources to which was referred the bill (S. 1430) to enhance national and community service, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National and Community Service Act of 1989".

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(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title and table of contents.
Sec. 2 Findings.
Sec. 3. Purposes.

TITLE I—SCHOOL BASED COMMUNITY SERVICE

PART A—SCHOOL BASED COMMUNITY SERVICE

Sec. 101. Short title.
Sec. 102. Program authorized.
Sec. 103. Definitions.
Sec. 104. Allocation of funds.
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Sec. 109. Federal activities.
Sec. 110. Evaluation.
Sec. 111. Authorization of appropriations.

PART B—HIGHER EDUCATION

Sec. 121. Innovative projects for community service.

PART C—STATE STUDENT INCENTIVE GRANT AND WORK STUDY PROGRAMS

Sec. 131. Additional reservation for campus-based community work learning study jobs.
Sec. 132. Work study programs.

PART D—PUBLICATION

Sec. 141. Information for students.
Sec. 142. Exit counseling for borrowers.
Sec. 143. Department information on deferments and cancellations.
Sec. 144. Data on deferments and cancellations.

PART E—DIRECT LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

Sec. 151. Loan cancellation authorized.
Sec. 152. Effective date.

PART F—LOAN FORGIVENESS

Sec. 161. Loan forgiveness.
Sec. 162. Effective date.

TITLE II—YOUTH SERVICE CORPS

Sec. 201. Short title.
Sec. 202. Definitions.
Sec. 203. Program authorized.
Sec. 204. Allocation of funds.
Sec. 205. State application.
Sec. 206. Focus of programs.
Sec. 207. Related programs.
Sec. 208. Public lands or Indian lands.
Sec. 209. Training and education services.
Sec. 210. Amount of award.
Sec. 211. Matching requirement.
Sec. 212. Preference for certain projects.
Sec. 213. Effect of allowances on eligibility for other Federal assistance.
Sec. 214. Age and citizenship criteria for enrollment.
Sec. 215. Post-service benefits.
Sec. 216. Living allowance.
Sec. 217. Joint projects involving the Department of Labor.
Sec. 218. Federal and State employee status.
Sec. 219. Authorization of appropriations.

TITLE III—NATIONAL SERVICE DEMONSTRATION PROGRAM

Sec. 301. Short title.
Sec. 302. Definitions.
Sec. 303. Grants.
Sec. 304. Types of national service.
Sec. 305. Terms of service.
Sec. 306. Eligibility.
Sec. 307. Vouchers.
Sec. 308. Living allowance.
Sec. 309. Training.
Sec. 310. Use of funds.
Sec. 311. Public-private partnership.
Sec. 312. In-service education benefits.
Sec. 313. National Service Demonstration Program amendments.
Sec. 314. Authorization of appropriations.

TITLE IV—CORPORATION FOR NATIONAL SERVICE

Sec. 401. Definitions.
Sec. 402. Establishment of Corporation; application of District of Columbia Nonprofit Corporation Act.
Sec. 403. Board of directors.

Sec. 404. Officers and employees.
Sec. 405. Nonprofit and nonpolitical nature of the Corporation.
Sec. 406. Housing and education vouchers; living allowances.
Sec. 407. Reports.
Sec. 408. Supplementation.
Sec. 409. Prohibition on use of funds.
Sec. 410. Nondiscrimination.
Sec. 411. Notice, hearing, and grievance procedures.
Sec. 412. Nonduplication and nondisplacement.
Sec. 413. State advisory board.
Sec. 414. Evaluation.
Sec. 415. Funding.
Sec. 416. Functions of the National Service Board.
Sec. 417. Presidential awards for service.
Sec. 418. Comprehensive service strategy.
Sec. 419. Engagement of participants.

TITLE V—EXPANSION OF VOLUNTEERS IN SERVICE TO AMERICA

Sec. 501. Short title.
Sec. 502. Authorization of appropriations.

TITLE VI—NATIONAL OLDER AMERICANS VOLUNTEER PROGRAMS

Sec. 601. Short title.
Sec. 602. Programs of national and local significance.
Sec. 603. Authorization of appropriations.

SEC. 2 FINDINGS.

Congress finds that—

(1) service to the community and the Nation is a responsibility of all citizens of the United States, regardless of the economic level or age of such citizens;

(2) citizens of the United States who become engaged in service at a young age will better understand the responsibilities of citizenship and continue to serve the community into adulthood;

(3) serving others builds self-esteem and teaches teamwork, decision making, and problem-solving;

(4) the 70,000,000 youth of the United States who are between ages 5 and 25 offer a powerful and largely untapped resource for community service;

(5) conservation corps and human service corps provide important benefits to participants and to the community;

(6) the Volunteers in Service to America Program (hereinafter in this Act referred to as "VISTA"), as established by title I of the Domestic Volunteer Act of 1973 (42 U.S.C. 4951 et seq.), is one of the most cost effective means to fight poverty in the United States;

(7) the cost of higher education, loan indebtedness, and the high price of housing deter many young adults from volunteering for VISTA and other service programs that involve a substantial time commitment;

(8) older Americans, through the Older American Volunteer Programs (as established by title II of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5001 et seq.)), provide 500,000,000 hours of service each year and are a vital force in addressing national problems;

(9) many potential volunteers cannot participate in a full-time volunteer service program, but should have the option of part-time service in such a program; and

(10) a range of full-time and part-time national and community service opportunities should be made available to all citizens, particularly youth and older Americans.

SEC. 3. PURPOSES.

It is the purpose of this Act to—

(1) renew the ethic of civic responsibility in the United States;

(2) ask citizens of the United States, regardless of age or income, to engage in full-time or part-time service to the Nation;

(3) begin to call young people to serve in national volunteer programs;

(4) enable young Americans to make a sustained commitment to national service by removing barriers to such service that have been created by high education costs, loan indebtedness, and the cost of housing;

(5) build on the existing organizational framework of Federal, State, and local programs and agencies to expand full-time and part-time service opportunities for all citizens, particularly youth and older Americans;

(6) involve volunteers in activities that would not otherwise be performed by employed workers; and

(7) generate 1,000,000,000 additional volunteer service hours to help meet human, educational, environmental, and public safety needs, particularly those needs relating to poverty.

TITLE I—SCHOOL BASED COMMUNITY SERVICE

PART A—SCHOOL BASED COMMUNITY SERVICE

SEC. 101. SHORT TITLE.

This part may be cited as "Serve America, the Service to America Act of 1989".

SEC. 102. PROGRAM AUTHORIZED.

(a) IN GENERAL.—The Secretary is authorized, in accordance with the provisions of this Act, to make grants to States or local applicants to create or expand service opportunities for students and out-of-school youth and for community members, particularly senior citizens, to volunteer in schools.

(b) TERM OF GRANT.—The term of the grants may be for a period of not longer than 3 years.

SEC. 103. DEFINITIONS.

For purposes of this part—

(1) COMMUNITY-BASED AGENCY.—The term "community-based agency" means a private nonprofit organization that is representative of a community or a significant segment of a community and that is engaged in meeting human, educational, or environmental community needs.

(2) EDUCATION INSTITUTION.—The term "education institution" means a local educational agency, elementary or secondary school or a community-based agency that provides educational services.

(3) EDUCATION PARTNERSHIP PROGRAM.—The term "education partnership program" means a program in which school volunteers work in an educational institution in support of the school's objectives to enhance the education of students.

(4) ELEMENTARY SCHOOL.—The term "elementary school" has the same meaning given that term in section 1471(8) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(8)).

(5) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the same meaning given that term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(6) LOCAL EDUCATIONAL AGENCY.—The term "local educational agency" has the same meaning given that term in section 1471(12) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(12)).

(7) LOCAL GOVERNMENT AGENCY.—The term "local government agency" means a public agency that is engaged in meeting human, social, educational, or environmental needs.

(8) OUT-OF-SCHOOL YOUTH.—The term "out-of-school youth" means an individual who has not attained the age of 25, has not completed college or the equivalent, and is not enrolled in an elementary or secondary school or institution of higher education.

(9) PARTICIPANT.—The term "participant" means a student or out-of-school youth who provides services pursuant to a program funded under this title.

(10) PARTNERSHIP PROGRAM.—The term "partnership program" means a cooperative effort to enhance the education of students among an education institution and one or more of the following:

(A) the private sector;
(B) public and non-profit agencies;
(C) institutions of higher education; and
(D) community organizations.

(11) PLACEMENT.—The term "placement" means the matching of a participant or team with a specific project.

(12) PROJECT.—The term "project" means any activity that results in a specific identifiable service or product that otherwise would not be done with existing funds, and which shall not duplicate the routine services or functions of the employer to whom participants are assigned.

(13) SCHOOL VOLUNTEER.—The term "school volunteer" means a person beyond the age of compulsory schooling, including an older American, an employee of a private business, an employee of a public or nonprofit agency, or any

other individual working without financial remuneration and under the direction of professional staff within a school or school district.

(14) SECONDARY SCHOOL.—The term "secondary school" has the same meaning given that term in section 1471(21) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(21)).

(15) SECRETARY.—The term "Secretary" means the Secretary of Education.

(16) SERVICE OPPORTUNITY.—The term "service opportunity" means a program or project enabling students or out-of-school youth to perform meaningful and constructive service in agencies, institutions, and situations where the application of human talent and dedication may help to meet human, educational, and environmental community needs, especially those relating to poverty.

(17) STATE.—The term "State" means a State, the Commonwealth of Puerto Rico, Guam, the District of Columbia, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or Palau.

(18) STATE AGENCY FOR HIGHER EDUCATION.—The term "State agency for higher education" means the State board of higher education or other agency or officer primarily responsible for the State supervision of higher education, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

(19) STATE EDUCATIONAL AGENCY.—The term "State educational agency" has the same meaning given that term in section 1471(23) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(23)).

(20) STUDENT.—The term "student" means an individual who is enrolled full-time or part-time in an elementary or secondary school or institution of higher education.

(21) STUDENT COMMUNITY SERVICE PROGRAM.—The term "student community service program" means a program in which students or out-of-school youths are offered service opportunities in the community or an educational institution.

SEC. 104. ALLOCATION OF FUNDS.

(a) GRANTS TO STATES.—

(1) IN GENERAL.—The Secretary shall use 85 percent of the funds appropriated under section 111 to make grants to States that have submitted applications under section 105.

(2) CONSIDERATIONS IN AWARDING GRANTS.—

(A) IN GENERAL.—In awarding grants to States, the Secretary shall consider the number of students enrolled in elementary and secondary schools in the State, the quality of the proposal, and evidence of State commitment to the program.

(B) GRANT FORMULA.—If more than $50,000,000 is appropriated for this part, then the Secretary shall allocate 85 percent of the funds appropriated under section 110 according to the chapter 1 basic grant formula described in section 1005 of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711) to States that have applications approved under section 105.

(b) REMAINDER.—The Secretary shall use the remaining 15 percent of the funds appropriated under section 111 for program support, evaluation, training, technical assistance, and activities described in section 109.

(c) LOCALITY APPLICATION.—If a State does not apply for assistance under this part or if a State does not have an application approved under section 105, the Secretary, may make grants directly to local applicants. The Secretary shall apply the criteria described in section 106 in evaluating such local applications.

SEC. 105. STATE APPLICATION.

Each State desiring to receive a grant under this part shall, through the State educational agency, submit an application to the Secretary at such time and in such manner as the Secretary may reasonably require. Each of such applications shall describe how—

(1) local applications will be ranked according to criteria described in section 106;

(2) service programs in the State will be coordinated;

(3) cooperative efforts among education institutions, local government agencies, community-based agencies, businesses, and State agencies to provide service opportunities, including those that involve the participation of urban, suburban, and rural youth working together will be encouraged;

(4) economically and educationally disadvantaged students, including individuals with handicapping conditions, are assured service opportunities;

(5) service programs receiving funds under this title will be evaluated;

(6) programs funded under this part will serve urban and rural areas and any tribal areas that exist in such State;

(7) technical assistance and training will be provided to service programs in the State;

(8) non-Federal funds will be used to expand service opportunities for students and out-of-school youth; and

(9) disseminations of information and outreach will be used to ensure involvement of a broad range of organizations, particularly community-based organizations.

SEC. 106. LOCAL APPLICATION.

(a) APPLICATION REQUIRED.—

(1) PARTNERSHIP.—

(A) IN GENERAL.—Any education institution, local government agency, community-based agency or consortia thereof desiring to receive a grant under this part shall form a partnership consisting of 1 or more education institutions and 1 or more local government or community-based agencies.

(B) EXCEPTION.—The provisions of subparagraph (A) shall not apply if the applicant is (A) an education institution that plans to provide service opportunities solely within an education institution; or (B) an education institution that has formed a partnership with 1 or more private businesses to conduct an educational partnership program.

(2) CONTENT OF APPLICATION.—Applicants shall apply to the State educational agency at such time and in such manner as the State educational agency may reasonably require. Each such application shall—

(A) contain a written agreement between the institution with which participants or school volunteers are affiliated and 1 or more representatives of the community or education institution where service opportunities will be provided stating that the program was jointly developed by the parties and that the program will be jointly executed by the parties;

(B) specify the membership and role of an advisory committee consisting of representatives of community agencies, service recipients, youth serving agencies, students, parents, teachers, administrators, school board members, labor, and business;

(C) describe the goals of the program, including goals that are quantifiable, measurable, and demonstrate benefits to the participants or school volunteers and the community;

(D) set forth the service opportunities to be provided;

(E) describe how the participants or school volunteers will be recruited, including any special efforts to recruit out-of-school youth with the assistance of community-based agencies;

(F) describe how participants or school volunteers were or will be involved in the design and operation of the program;

(G) state the name, if available, qualifications, and responsibilities of the coordinator of any program assisted under this Part;

(H) describe preservice and inservice training to be provided to supervisors and participants or school volunteers;

(I) describe the means by which exemplary service will be recognized;

(J) describe potential resources that will permit continuation of the program, if needed, upon the conclusion of Federal funding; and

(K) contain assurances that, before a placement of a participant or school volunteer is made, the program will consult with any local labor organization representing employees in the area who are engaged in the same or similar work as that proposed to be carried out by such program.

(3) STUDENT COMMUNITY SERVICE PROGRAM.—If the applicant plans to operate a student community service program, in addition to the above information, each applicant shall—

(A) describe an age-appropriate learning component for participants that includes, but is not limited to, a chance for participants to reflect on service experiences and expected learning outcomes;

(B) describe whether or not the participants will receive academic credit for participation;

(C) set forth the target numbers of students and out-of-school youth who will participate in the program assisted under this part and the target

numbers of hours of service such participants will provide individually and as a group;

(D) describe the proportion of expected participants who are educationally or economically disadvantaged, including participants with handicapping conditions;

(E) describe the ages or grade levels of expected participants;

(F) include other relevant demographic information about expected participants; and

(G) provide assurances that participants will be provided with information on VISTA, the Peace Corps (as established by the Peace Corps Act (22 U.S.C. 2501 et seq.)), chapter 30 of title 38, United States Code, chapter 106 of title 10, United States Code, full-time Youth Service Corps and National Service Demonstration programs funded under this Act, and other service options and their benefits, such as student loan deferment and forgiveness, as appropriate.

(b) APPROVAL.—

(1) STUDENT COMMUNITY SERVICE PROGRAMS.—In the case of student community service programs, the State educational agency shall approve only local applications describing programs that provide—

(A) an age-appropriate learning component for participants to reflect on service experiences;

(B) preservice and inservice training for both supervisors and participants involving representatives of the community where service opportunities will be provided; and

(C) evidence that participants will make a sustained commitment to the service project.

(2) SCHOOL VOLUNTEER AND PARTNERSHIP PROGRAMS.—In the case of school volunteer and partnership programs, the State educational agency shall only approve local applications describing programs that provide—

(A) preservice and inservice training for both supervisors and school volunteers;

(B) opportunities for school volunteers to work with at-risk children or their teachers.

(c) PRIORITY.—

(1) IN GENERAL.—In providing assistance pursuant to this part, the State educational agency shall give priority to applications describing—

(A) programs which involve participants in the design and operation of the program;

(B) programs in greatest need of assistance, such as programs targeting low-income areas;

(C) programs which involve individuals of different ages, races, sexes, ethnic groups, and economic backgrounds serving together; and

(D) in the case of applicants that are educational institutions, programs that are integrated into the academic program.

(2) SCHOOL VOLUNTEER AND PARTNERSHIP PROGRAM.—In the case of a school volunteer and partnership program, the State educational agency shall give priority to applications describing programs—

(A) involving older Americans as school volunteers;

(B) involving a partnership between an educational institution and a private business in the community; or

(C) which focus on drug and alcohol abuse prevention, school drop-out prevention, or nutrition and health education.

(d) DURATION.—Grants to local applicants under this part may be for up to a 3-year period and are renewable for a second period of up to 3 years to expand or improve an existing program or to initiate a new program.

SEC. 107. FEDERAL SHARE.

(a) FEDERAL SHARE.—

(1) REQUIREMENTS FOR STATES.—Funds provided pursuant to this part shall not be used by a State to pay more than 75 percent of the costs of programs assisted under this title.

(2) REQUIREMENT FOR LOCAL APPLICANTS.—

(A) LIMITATION ON FUNDS.—Funds provided pursuant to this part may not be used by a local applicant to pay more than—

(i) 80 percent of the costs of programs assisted under this title for the first year in which the applicant receives funds under this part;

(ii) 70 percent of the costs of programs assisted under this title for the second year in which the applicant receives funds under this part;

(iii) 60 percent of the costs of programs assisted under this title for the third year in which the applicant receives funds under this part; and

(iv) 50 percent of the costs of programs assisted under this title for the fourth and each succeeding year in which the applicant receives funds under this part.

(B) PAYMENT BY LOCAL APPLICANT.—

(i) NON-FEDERAL SOURCES.—The portion of the costs of programs assisted under this part that are to be paid by a local applicant from sources other than Federal funds may be paid in cash or in kind, fairly evaluated.

(ii) PRIVATE PROFITMAKING ORGANIZATIONS.—If the portion of the costs of programs assisted under this part to be paid by a local applicant from sources other than Federal funds are paid by private profitmaking organizations then subsection (a) shall be applied by substituting—

(I) "85 percent" for "80 percent";
(II) "75 percent" for "70 percent"; and
(III) "65 percent" for "60 percent".

SEC. 108. USE OF FUNDS.

(a) STATES.—

(1) ADMINISTRATION.—States shall use no more than 20 percent of funds allocated under section 104 for the costs of administration, including training, technical assistance, curriculum development, and coordination activities.

(2) SCHOOL VOLUNTEER AND PARTNERSHIP PROGRAMS.—States shall use no more than 10 percent of funds allocated under section 104 for school volunteer and partnership programs.

(b) LOCAL APPLICANTS.—Local applicants may use funds provided under this part for supervision of participants, program administration, training, reasonable transportation costs, insurance, and other reasonable expenses.

(c) STIPENDS.—Funds provided under this part shall not be used to pay any stipend, allowance, or other financial support to any participant except reimbursement for transportation, meals, and other reasonable out-of-pocket expenses incident to participation in a program assisted under this part.

SEC. 109. FEDERAL ACTIVITIES.

(a) CLEARINGHOUSES.—

(1) IN GENERAL.—The Secretary, in consultation with the National Service Board authorized under title IV of this Act, is authorized to fund one or more national or regional clearinghouses on service.

(2) PUBLIC AND PRIVATE NONPROFIT AGENCIES.—Public and private nonprofit agencies with extensive experience in student community service and school volunteer and partnership programs shall be eligible to receive funds under paragraph (1) of this subsection.

(3) FUNCTION OF CLEARINGHOUSES.—National and regional clearinghouses funded under paragraph (1) shall provide information, curriculum materials, technical assistance, and training to States and local entities eligible to receive funds under this part.

(b) GRANTS.—

(1) IN GENERAL.—The Secretary, in consultation with the Board of Directors for the Corporation for National Service as established under section 403, is authorized to make grants to fund national model youth service programs.

(2) ELIGIBILITY.—States, education institutions, local government agencies, community-based agencies, or consortia of the above organizations shall be eligible to receive grants under paragraph (1) of this subsection.

(3) DISSEMINATION OF INFORMATION.—The Secretary shall widely disseminate information about national model youth service programs funded under paragraph (1) of this subsection.

(c) INNOVATIVE CURRICULUM MATERIALS.—The Secretary is authorized to make grants for the development of innovative curriculum materials for use in student community service and school volunteer partnership programs.

SEC. 110. EVALUATION.

(a) EVALUATION.—The Secretary shall provide, through grants or contracts, for the continuing evaluation of programs assisted under this part, including evaluations

that measure and evaluate the impact of programs authorized by this part, in order to determine program effectiveness in achieving stated goals in general and in relation to cost, the impact on related programs, and the structure and mechanisms for delivery. Such evaluations shall include, where appropriate, comparisons with appropriate control groups composed of individuals who have not participated in such programs. Evaluations shall be conducted by individuals not directly involved in the administration of the program evaluated.

(b) STANDARDS.—The Secretary shall develop and publish general standards for evaluation of program effectiveness in achieving the objectives of this part.

(c) INPUT.—In carrying out evaluations under this part, the Secretary shall include the opinions of program participants and members of the communities where services are delivered concerning the strengths and weaknesses of such programs.

(d) PUBLICATION.—The Secretary shall publish summaries of the results of evaluations of program impact and effectiveness no later than 60 days after the completion of such evaluation.

(e) OWNERSHIP OF PROPERTY.—All studies, evaluations, proposals, and data produced or developed with assistance under this part shall become the property of the United States.

SEC. 111. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this part, $65,000,000 for fiscal year 1991, and such sums as may be necessary for each of the 4 succeeding years.

PART B—HIGHER EDUCATION

SEC. 121. INNOVATIVE PROJECTS FOR COMMUNITY SERVICE.

Part C of Title X of the Higher Education Act of 1965 (20 U.S.C. 1135e et seq.) is amended to read as follows:

"PART C—INNOVATIVE PROJECTS FOR COMMUNITY SERVICE

"STATEMENT OF PURPOSE

"SEC. 1061. It is the purpose of this part to support innovative projects to determine the feasibility of encouraging student participation in community service activities before, during, or after the completion of such student's higher education.

"INNOVATIVE PROJECTS FOR COMMUNITY SERVICE

"SEC. 1062. (a) GENERAL AUTHORITY.—The Secretary is authorized, in accordance with the provisions of this part, to make grants to, and contracts with, institutions of higher education (including combinations of such institutions), and other public agencies and nonprofit organizations working in partnership with institutions of higher education, for purposes including, but not limited to—

"(1) encouraging students to participate in community service activities that will engender a sense of social responsibility and commitment to the community;

"(2) creating opportunities for students to engage in community service activities in exchange for financial assistance that reduces the debt acquired by students in the course of completing postsecondary education;

"(3) encouraging student-initiated and student-designed community service projects; and

"(4) encouraging the integration of community service into academic curricula.

"ADMINISTRATIVE PROVISIONS

"SEC. 1063. (a) APPLICATION.—No grant may be made, and no contract may be entered into, under section 1062 unless an application is made to the Director of the Fund for Improvement of Postsecondary Education (hereinafter referred to as the "Director") at such time, in such manner, and contained or accompanied by such information as the Director may reasonably require.

"(b) Consistent with the provisions of section 1003(c), the National Board of the Fund for the Improvement of Postsecondary Education shall advise the Director on programs, priorities, and the selection of projects developed under the authority of section 1062.

"(c) TECHNICAL EMPLOYEES.—(1) The Secretary may appoint, for terms not to exceed 3 years, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service, technical employees to administer this title who may be paid without regard to the provisions of chapter 51, and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(2) The Secretary may appoint no more than 1 technical employee for each $2,000,000 appropriated under section 1064.

"(d) The provisions of section 1004(b) shall apply to grants made under section 1062.

"(e) Nothing in this part shall be construed as requiring an institution of higher education to offer academic credit as a requirement of receiving assistance under this part.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1064. There are authorized to be appropriated to carry out this part, $35,000,000 for fiscal year 1991, and such sums as may be necessary for each of the 4 succeeding years."

PART C—STATE STUDENT INCENTIVE GRANT AND WORK STUDY PROGRAMS

SEC. 131. ADDITIONAL RESERVATION FOR CAMPUS-BASED COMMUNITY WORK LEARNING STUDY JOBS.

Section 415B(a) of the Higher Education Act of 1965 (20 U.S.C. 1070c-1(a)) is amended by inserting the following new paragraph at the end thereof:

"(3)(A) In the event the appropriation for this subpart exceeds $75,000,000, the Secretary shall, notwithstanding the provisions of section 415(C)(b)(3)(A), allot 50 percent of such excess to the States for the purpose described in section 415(C)(b)(3)(B).

"(B) The Secretary shall make the allotment required under subparagraph (A) on the basis of the number of students participating in campus-based community work learning study jobs assisted under this subpart in each State as compared to the total number of students participating in such jobs in all States.

SEC. 132. WORK STUDY PROGRAMS.

(a) WORK STUDY PROGRAMS.—Section 443(b)(5) of the Higher Education Act of 1965 (42 U.S.C. 2753(b)(5)) is amended by striking "and 70 percent for academic year 1990–1991" and inserting "70 percent for academic years 1990–1991 and 1991–1992, and 60 percent for academic year 1992–1993".

(b) COMMUNITY SERVICE LEARNING PROGRAMS.—Section 443(b)(5)(B) of the Act is amended by striking "90" and inserting "100".

PART D—PUBLICATION

SEC. 141. INFORMATION FOR STUDENTS.

(a) Section 485(a)(1) of the Higher Education Act of 1965 (20 U.S.C. 1092(a)(1)) (hereafter in this part referred to as the "Act") is amended—

(1) by striking out "and" at the end of subparagraph (J);

(2) by striking out the period at the end of subparagraph (K) and inserting in lieu thereof a semicolon and the word "and"; and

(3) by adding at the end thereof the following:

"(L) the terms and conditions under which students receiving guaranteed student loans under part B of this title or direct student loans under part E of this title, or both, may—

"(i) obtain deferral of the repayment of the principal and interest for service under the Peace Corps Act (as established by the Peace Corps Act (22 U.S.C. 2501 et seq.)) or under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.), or for comparable full-time service as a volunteer for a tax-exempt organization of demonstrated effectiveness, and

"(ii) obtain partial cancellation of the student loan for service under the Peace Corps Act (as established by the Peace Corps Act (22 U.S.C. 2501 et seq.)) or under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.).".

(b) Section 487(a)(7) of the Act (20 U.S.C. 1094(a)(7)) is amended by inserting before the period a comma and the following: "particularly the requirements of subsection (a)(1)(L) of such section".

SEC. 142. EXIT COUNSELING FOR BORROWERS.

Section 485(b) of the Act (20 U.S.C. 1092(b)) is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding the following new paragraph after paragraph (2):

"(3) the terms and conditions under which the student may obtain partial cancellation or defer repayment of the principal and interest for service under the Peace Corps Act (as established by the Peace Corps Act (22 U.S.C. 2501 et seq.)) or under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) or for comparable full-time service as a volunteer for a tax-exempt organization of demonstrated effectiveness.".

SEC. 143. DEPARTMENT INFORMATION ON DEFERMENTS AND CANCELLATIONS.

Section 485(d) of the Act (20 U.S.C. 1092(d)) is amended by inserting the following before the last full sentence: "The Secretary shall provide information on the specific terms and conditions under which students may obtain partial cancellation or defer repayment of loans for service under the Peace Corps Act (as established by the Peace Corps Act (22 U.S.C. 2501 et seq.)) and Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) or for comparable full-time service as a volunteer with a tax-exempt organization of demonstrated effectiveness, shall indicate (in terms of the Federal minimum wage) the maximum level of compensation and allowances which a student borrower may receive from a tax-exempt organization to qualify for a deferment, and shall explicitly state that students may qualify for such partial cancellations or deferments when they serve as a paid employee of a tax-exempt organization.".

SEC. 144. DATA ON DEFERMENTS AND CANCELLATIONS.

Section 485B(a) of the Act (20 U.S.C. 1092b(a)) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding the following new paragraph after paragraph (4):

"(5) the exact amount of loans partially canceled or in deferment for service under the Peace Corps Act (22 U.S.C. 2501 et seq.)), for service under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.), and for comparable full-time service as a volunteer for a tax-exempt organization of demonstrated effectiveness.".

PART E—DIRECT LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

SEC. 151. LOAN CANCELLATION AUTHORIZED.

(a) Section 465(a)(2) of the Higher Education Act of 1965 (20 U.S.C.1087ee(a)(2)) (hereafter in this part referred to as the "Act") is amended—

(1) by striking out "or" at the end of clause (D);

(2) by striking out the period at the end of clause (E) and inserting in lieu thereof a semicolon and the word "or"; and

(3) by adding at the end thereof the following new clause:

"(F) as a full-time volunteer in service comparable to service referred to in subparagraph (E) for an organization of demonstrated effectiveness which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code 1986.".

(b) Section 465(a)(3)(A) of the Act (20 U.S.C. 1087ee(a)(3)(A)) is amended—

(1) by striking out "or" at the end of clause (iii);

(2) by striking out the period at the end of clause (iv) and inserting in lieu thereof a semicolon and the word "or"; and

(3) by adding at the end thereof the following new clause:

"(v) in the case of service described in subparagraph (F) of paragraph (2) at the rate of 15 percent for the first or second year of such service and 20 percent of the third or fourth year of such service.".

SEC. 152. EFFECTIVE DATE.

The amendments made by sections 2 and 3 of this part shall apply only to loans made to cover the costs of instruction for periods of enrollment beginning on or after 30 days after the date of enactment of this part to individuals who are new borrowers on that date.

PART F—LOAN FORGIVENESS

SEC. 161. LOAN FORGIVENFSS.

(a) STUDENT VOLUNTEER.—Section 427(a)(2)(B)(ii) of the Higher Education Act of 1965 (20 U.S.C. 1077(a)(2)(B)(ii)) (hereafter in this Act referred to as the "Act") is amended by inserting after "that" a comma and the following: "subject to the provisions of subparagraph (H),".

(2) Section 427(a)(2) of the Act (20 U.S.C. 1077(a)(2)(B)(ii) is amended by—

(A) striking out "and" at the end of subparagraph (G);

(B) redesignating subparagraph (H) as subparagraph (I); and

(C) inserting after subparagraph (G) the following new subparagraph (H):

"(H) provides (subject to section 432(j)) in the case of any student borrower who, prior to the beginning of the repayment period, agrees in writing to volunteer for service under the Peace Corps Act (22 U.S.C. 2501 et seq.) or under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) or for comparable full-time service as a volunteer with a tax exempt organization of demonstrative effectiveness for the payment by the United States of the percent of the amount of loans specified in section 432(j), and".

(b)(1) Section 428(b)(1)(D) of the Act (20 U.S.C. 1078(b)(1)(D)) is amended by inserting after "paragraph" the following: "and subject to subparagraph (V)".

(2) Section 428(b)(1) of the Act (20 U.S.C. 1078(b)(1)(D)) is amended by—

(A) striking out "and" at the end of subparagraph (T);

(B) striking out the period at the end of subparagraph (U) and by inserting in lieu thereof a semicolon and "and"; and

(C) adding at the end thereof the following new subparagraph:

"(V) provides (subject to section 432(j)) in the case of any student borrower who, prior to the beginning of the repayment period, agrees in writing to serve as a volunteer for service under the Peace Corps Act (22 U.S.C. 2501 et seq.) or under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) or for comparable full-time service as a volunteer with a tax-exempt organization of demonstrated effectiveness for the payment by the United States of the percent of the amount of loans specified in section 432(j).".

(c) Section 432 of the Act (42 U.S.C. 1082) is amended by adding at the end thereof the following new subsection:

"(j) PARTIAL CANCELLATION AUTHORITY.—The Secretary shall enter into an agreement with any student borrower described in section 427(a)(2)(H) or 428(b)(1)(V) under which the borrower agrees to serve as a volunteer under the Peace Corps Act (22 U.S.C. 2501 et seq.) or under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) or for comparable full-time service as a volunteer with a tax-exempt organization of demonstrated effectiveness.

"(2) The agreement under paragraph (1) shall contain provisions designed to assure that—

"(A) the Secretary will assume the obligation of paying the percent of any loan made, insured, or guaranteed under this part pursuant to the schedule described in paragraph (5); and

"(B) the student borrower who fails to volunteer for service in accordance with the agreement will assume the obligation of paying the amount of any such loan attributable to the period for which the student borrower failed to comply with the agreement.

"(3) The Secretary shall in each fiscal year pay to the holder of each loan for which the Secretary assumes responsibility under this subsection the amount specified in paragraph (5).

"(4) The Secretary shall waive or suspend any obligation of service or payment of any, or any part of, the loan to which the United States is entitled under paragraph (2)(A) whenever the Secretary determines that compliance by an individual with the agreement is impossible or would involve extreme hardship to the individual.

"(5)(A) The percent of a loan which shall be paid by the United States under paragraph (2)(A) of this subsection is 15 percent for the first or second year of service and 20 percent for the third or fourth year of service described in paragraph (1).

"(B) If a portion of the loan is paid by the Secretary under this subsection for any year, the entire amount of interest on such loan which accrues for such year shall be paid by the Secretary.

"(C) Nothing in this subsection shall be construed to authorize refunding of any repayment on the loan.".

SEC. 162. EFFECTIVE DATE.

The amendments made by section 161 of this part shall apply only to loans made to cover the costs of instruction for periods of enrollment beginning on or after 30 days after the date of enactment of this Act to individuals who are new borrowers on that date.

TITLE II—YOUTH SERVICE CORPS

SEC. 201. SHORT TITLE.

This title may be cited as the "American Conservation and Youth Service Corps Act of 1989".

SEC. 202. DEFINITIONS.

As used in this title—

(1) BOARD.—The term "Board" means the National Service Board established under title IV.

(2) CREW LEADER.—The term "crew leader" means a participant who assists in the supervision of other participants engaged in work projects pursuant to this Act.

(3) CREW SUPERVISOR.—The term "crew supervisor" means the adult staff individual who is responsible for supervising a crew of participants, including the crew leader.

(4) INDIAN LANDS.—The term "Indian lands" means any real property owned by an Indian tribe, any real property held in trust by the United States for Indian tribes, and any real property held by Indian tribes that is subject to restrictions on alienation imposed by the United States.

(5) INDIAN TRIBE.—The term "Indian tribe" means an Indian tribe, band, nation, or other group that is recognized as an Indian tribe by the Secretary of the Interior. Such term also includes a Native village corporation, regional corporation, and Native group established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1701 et seq.).

(6) LOCAL APPLICANT.—The term "local applicant" means a public or private non-profit agency that has applied to administer a program funded under this title.

(7) PARTICIPANT.—The term "participant" means an individual enrolled in a program funded under this title.

(8) PLACEMENT.—The term "placement" means the matching of a participant or crew with a specific project.

(9) PROGRAM.—The term "program" means an activity carried out under this title.

(10) PROGRAM AGENCY.—The term "program agency" means—

(A) a Federal or State agency designated to manage a program in a State;

(B) the governing body of an Indian tribe; or

(C) a local applicant administering a program funded under this title.

(11) PROJECT.—The term "project" means an activity that results in a specific identifiable service or product that otherwise would not be done with existing funds, and that does not duplicate the routine services or functions of the employer to whom participants are assigned.

(12) PUBLIC LANDS.—The term "public lands" means any lands or waters (or interest therein) owned or administered by the United States or by an agency or instrumentality of a State or local government.

(13) STATE.—The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, or Palau.

(14) SUMMER PROGRAM.—The term "summer program" means a program authorized under this title that is limited to the months of June, July, and August.

(15) YOUTH SERVICE CORPS PROGRAM.—The term "youth service corps program" means a program, such as a conservation corps or human services corps,

that offers full-time, productive work (to be financed through stipends) with visible community benefits in a natural resource or human service setting and that gives participants a mix of work experience, basic and life skills, education, training, and support services.

SEC. 203. PROGRAM AUTHORIZED.

(a) IN GENERAL.—The Board is authorized, in accordance with this title, to provide a grant to a State or local applicant to create or expand full-time or summer youth service corps programs.

(b) TERM OF GRANT.—The term of such grant shall be for a period not greater than three years.

(c) RENEWING GRANT.—The Board may renew such grant for an additional three-year term.

SEC. 204. ALLOCATION OF FUNDS.

(a) COMPETITIVE GRANT.—The Board may make competitive grants to States that have submitted applications under section 205.

(b) DIRECT GRANTS.—

(1) IN GENERAL.—If a State does not apply for assistance under this title, the Board may make a grant directly to a local applicant in such State.

(2) EVALUATION.—The Board shall apply the criteria described in section 205 in evaluating such local applicant.

(c) LIMITATION.—

(1) CAPITAL EQUIPMENT.—Not more than 10 percent of the amount of funds made available to a program agency under section 219 may be used for the purchase of major capital equipment.

(2) ADMINISTRATIVE EXPENSES.—Not more than 15 percent of the amount of funds made available to a program agency under section 219 may be used for administrative expenses.

(3) SUMMER PROGRAMS.—Not more than 10 percent of the amount of funds made available to a State under section 219 may be used for summer Youth Service Corps programs.

SEC. 205. STATE APPLICATION.

(a) SUBMISSION OF APPLICATION.—In order to receive a grant under section 219, a State shall submit an application to the Board at such time and in such manner as the Board may reasonably require.

(b) CONTENT OF APPLICATION FOR A STATE.—In such application, the State shall describe—

(1) any Youth Service Corps program proposed to be conducted directly by such State with funds provided under section 219; and

(2) any grant program to entities within such State proposed to be conducted by such State with funds provided under section 219.

(c) CONTENT OF APPLICATION FOR A STATE OR LOCAL APPLICANT.—In order to receive funds under section 219 to directly conduct a Youth Service Corps program pursuant to section 204 (a) or (b), each applicant shall include in the application for such funds—

(1) a comprehensive description of the objectives and performance goals for the program, a plan for managing and funding the program, and a description of the types of projects to be carried out, including a description of the types and duration of training and work experience to be provided by such program;

(2) a plan for certification of the training skills acquired by participants and award of academic credit to participants for competencies developed from training programs or work experience obtained under this title;

(3) an estimate of the number of participants and crew leaders necessary for the proposed projects, the length of time that the services of such participants and crew leaders will be required, the support services that will be required for such participants and crew leaders, and a plan for recruiting such participants, including educationally and economically disadvantaged youth and youth who have recently left foster care;

(4) a list of requirements to be imposed on such sponsoring organization of an individual serving in a program or project under this title, including a requirement that a sponsoring organization that invests in a project under this title by making a cash contribution or by providing free training of an individual participating in such program or project shall be given preference over a sponsoring organization that does not make such an investment;

(5) a description of the manner of appointment of sufficient supervisory staff (including participants who have displayed exceptional leadership qualities),

who shall in turn provide for other central elements of a youth corps, such as crew structure and a youth development component;

(6) a description of a plan to ensure the on-site presence of knowledgeable and competent supervision at program facilities;

(7) a description of the facilities, quarters, and board (in the case of residential facilities), limited and emergency medical care, transportation from administrative facilities to work sites, and other appropriate services, supplies, and equipment that will be provided by such applicant;

(8) a description of basic standards of work requirements, health, nutrition, sanitation, and safety, and the manner that such standards shall be enforced;

(9) a description of the plan to assign participants to facilities as near to the homes of such participants as is reasonable and practicable;

(10) the assurance that, before a placement of a volunteer under this title is made, the program agency will consult with any local labor organization representing employees in the area who are engaged in the same or similar work as that proposed to be carried out by such program; and

(11) such other information as the Board may prescribe.

(d) GRANT PROGRAM.—Each State desiring to receive funds under this title to conduct a grant program pursuant to subsection (b)(2) shall describe in its application how—

(1) local applicants will be evaluated;

(2) service programs in the State will be coordinated;

(3) economically and educationally disadvantaged youth, including youth who have left foster care, will be recruited;

(4) programs will be evaluated;

(5) the State will encourage cooperation among programs and the appropriate State job training coordinating council established under the Job Training and Partnership Act (29 U.S.C. 1501 et seq.);

(6) such State will certify the training skills acquired by each participant and the credit to each participant for competencies developed from training programs or work experience obtained under this title; and

(7) before any placement of a volunteer under this Act is made, the State will ensure that program agencies consult with each local labor organization representing employees in the area who are engaged in the same or similar work as the work that is proposed to be carried out by such program.

SEC. 206. FOCUS OF PROGRAMS.

(a) IN GENERAL.—Programs funded under this title may carry out projects that—

(1) in the case of conservation corps programs, focus on—

(A) conservation, rehabilitation, and improvement of wildlife habitat, rangelands, parks, and recreational areas;

(B) urban revitalization, and historical and cultural site preservation;

(C) fish culture, habitat maintenance and improvement, and other fishery assistance;

(D) road and trail maintenance and improvement;

(E) erosion, flood, drought, and storm damage assistance and controls;

(F) stream, lake, waterfront harbor, and port improvement;

(G) wetlands protection and pollution control;

(H) insect, disease, rodent, and fire prevention and control;

(I) the improvement of abandoned railroad beds and rights-of-way;

(J) energy conservation projects, renewable resource enhancement, and recovery of biomass;

(K) reclamation and improvement of strip-mined land; and

(L) forestry, nursery, and cultural operations; or

(2) in the case of human services corps programs, include service in—

(A) State, local, and regional governmental agencies;

(B) nursing homes, hospices, senior centers, hospitals, local libraries, parks, recreational facilities, day care centers, programs serving individuals with handicapped conditions, and schools;

(C) law enforcement agencies, and penal and probation systems;

(D) private nonprofit organizations that primarily focus on social service;

(E) activities that focus on the rehabilitation or improvement of public facilities, neighborhood improvements, literacy training that benefits educationally disadvantaged individuals, weatherization of and basic repairs to low-income housing, energy conservation (including solar energy techniques), removal of architectural barriers to access by handicapped individ-

uals to public facilities, and conservation, maintenance, or restoration of natural resources on publicly held lands; and

(F) any other nonpartisan civic activities and services that the Board determines to be of a substantial social benefit in meeting unmet human, educational, or environmental needs (particularly needs related to poverty) or in the community where volunteer service is to be performed.

(b) INELIGIBLE SERVICE CATEGORIES.—In order to be eligible to receive assistance under this title, the service projects referred to in subsection (a) shall not be conducted by any—

(1) business organized for profit;

(2) labor union;

(3) partisan political organization;

(4) organization engaged in religious activities, unless such project does not involve any religious functions; or

(5) domestic or personal service company or organization.

(c) LIMITATION ON SERVICE.—No participant shall perform services in any project for more than a 1-year period.

SEC. 207. RELATED PROGRAMS.

An activity administered under the authority of the Secretary of Health and Human Services, that is operated for the same purpose as a program eligible to be carried out under this title, is encouraged to use services available under this title.

SEC. 208. PUBLIC LANDS OR INDIAN LANDS.

(a) LIMITATION.—The Board shall only fund programs that involve projects on public lands or Indian lands or that provide a public benefit.

(b) REVIEW OF APPLICATIONS.—The Board shall consult with the Department of the Interior in reviewing applications proposing programs or projects on public lands or Indian lands.

(c) CONSISTENCY.—A project carried out under this title for conservation, rehabilitation, or improvement of any public lands or Indian lands shall be consistent with—

(1) the provisions of law and policies relating to the management and administration of such lands, and all other applicable provisions of law; and

(2) all management, operational, and other plans and documents that govern the administration of such lands.

(d) RESERVATION OF FUNDS.—The Board shall reserve not more than 5 percent of funds appropriated under section 219 for Federal disaster relief programs.

SEC. 209. TRAINING AND EDUCATION SERVICES.

(a) ASSESSMENT OF SKILLS.—Each program agency shall assess the educational level of participants at the time of entrance into the program, using any available records or simplified assessment means or methodology.

(b) ENHANCEMENT OF SKILLS.—Each program agency shall, through programs and projects administered under this title, enhance the educational skills of participants in the program.

(c) PROVISION OF IN-SERVICE TRAINING AND EDUCATION.—

(1) REQUIREMENT.—A program agency shall use not less than 10 percent of the funds made available to such agency to provide in-service training and educational materials and services for participants and individuals serving in a project.

(2) AGREEMENTS FOR ACADEMIC STUDY.—A program agency that is receiving assistance under this Act may enter into arrangements with academic institutions or education providers, including—

(A) local education agencies;

(B) community colleges;

(C) 4-year colleges;

(D) area vocational-technical schools; and

(E) community based organizations;

for academic study by a participant in order for such participant or individual to upgrade literacy skills, to obtain a high school diploma or the equivalent of such diploma, to obtain a college degree, or to enhance employable skills.

(3) COUNSELING.—Career and educational guidance and counseling shall be provided to a participant during a period of in-service training as described in this subsection.

(4) PRIORITY FOR PARTICIPANTS WITHOUT HIGH SCHOOL DIPLOMAS.—A participant who has not obtained a high school diploma or the equivalent of such diploma shall have priority to receive services under this subsection.

(d) POST-SERVICE EDUCATION AND TRAINING ASSISTANCE.—

(1) USE OF FUNDS.—A program or project receiving funds under section 219 shall use not less than 10 percent of such funds to meet the requirements of section 215 for post-service education and training assistance.

(2) ACTIVITIES.—The activities conducted under this section may include activities available to an eligible participant under in-service education and training assistance programs, career and vocational counseling, assistance in entering a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.), and assistance for other activities considered appropriate for such participant by the appropriate program agency and the Board.

(e) STANDARDS AND PROCEDURES.—

(1) CONSISTENCY WITH STATE AND LOCAL REQUIREMENTS.—Appropriate State and local officials shall certify that standards and procedures with respect to the awarding of academic credit and the certification of educational attainment in programs conducted under subsection (c) are consistent with the requirements of applicable State and local law and regulations.

(2) ACADEMIC STANDARDS.—Such standards and procedures shall specify that an individual serving in a program or project under this title—

(A) who is not a high school graduate shall participate in an educational curriculum so that such individual can earn a high school diploma or the equivalent of such diploma; and

(B) may arrange to receive academic credit in recognition of the education and skills obtained from service satisfactorily completed.

SEC. 210. AMOUNT OF AWARD.

In determining the amount of funds to be awarded to an applicant under this title, the Board shall consider—

(1) the proportion of the unemployed youth population of the area to be served; and

(2) the type of project or service proposed to be carried out with funds appropriated under this title.

SEC. 211. MATCHING REQUIREMENT.

(a) FEDERAL SHARE.—The Federal share of the cost of programs assisted under this title shall not exceed 75 percent.

(b) STATE OR LOCAL APPLICANT.—The State or local applicant share of the costs of programs assisted under this title shall be at least 25 percent.

SEC. 212. PREFERENCE FOR CERTAIN PROJECTS.

In the approval of applications for programs and projects submitted under section 205, the Board shall give preference to programs and projects that—

(1) will provide long-term benefits to the public;

(2) will instill a work ethic and a sense of public service in the participants;

(3) will be labor intensive, and involve youth operating in crews;

(4) can be planned and initiated promptly; and

(5) will enhance skills development and educational level and opportunities for the participants.

SEC. 213. EFFECT OF ALLOWANCES ON ELIGIBILITY FOR OTHER FEDERAL ASSISTANCE.

Living allowances and benefits received under this title by an economically disadvantaged youth, as defined in section 4(8) of the Job Training Partnership Act (29 U.S.C. 1503(8)), shall be disregarded in determining the eligibility of the family of the youth for, and the amount of, any Federal benefits based on need.

SEC. 214. AGE AND CITIZENSHIP CRITERIA FOR ENROLLMENT.

Enrollment in programs funded under this title shall be limited to individuals who, at the time of enrollment, are—

(1) not less than 16 years or more than 25 years of age, except that summer programs may include individuals not less than 15 years and not more than 21 years of age at the time of the enrollment of such individuals; and

(2) citizens or nationals of the United States (including those citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau) or lawful permanent resident aliens of the United States.

SEC. 215. POST-SERVICE BENEFITS.

(a) IN GENERAL.—The program agency shall provide post-service education and training benefits (such as scholarships and grants) for each participant in an amount not less than $50 per week nor more than $100 per week.

(b) EXCLUSION FROM GROSS INCOME.—For purposes of section 61 of the Internal Revenue Code of 1986, in the case of an individual, gross income shall not include any amount received as assistance under this section.

SEC. 216. LIVING ALLOWANCE.

(a) IN GENERAL.—Each participant in a full-time youth service corps program shall receive a living allowance of not less than 100 percent of the poverty line for a single individual (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) and not more than 100 percent of the amount such participant would have earned if such participant had been paid at a rate equal to the minimum wage for a 40-hour work week under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) during the period of service of such participant.

(b) HEALTH INSURANCE.—In addition to the living allowance provided under subsection (a), each participant in a full-time youth service corps shall be provided with health insurance.

(c) FACILITIES, SERVICES, AND SUPPLIES.—

(1) IN GENERAL.—The program agency may deduct, from amounts determined under subsections (a) and (b), a reasonable portion of the costs of the rates for room and board provided at residential facilities for a participant.

(2) EVALUATION.—The program agency shall establish the deductions and rates under paragraph (1) after evaluating of costs of providing such room and board.

(3) DUTIES OF PROGRAM AGENCY.—A program agency may provide facilities, quarters, and board and shall provide limited and emergency medical care, health insurance, transportation from administrative facilities to work sites, and other appropriate services, supplies, and equipment to each participant.

(d) GUIDANCE AND PLACEMENT.—

(1) IN GENERAL.—Each program agency shall provide such job and educational guidance and placement information and assistance for each participant as may be necessary.

(2) COORDINATION WITH OTHER ENTITITES.—Such assistance shall be provided in coordination with appropriate State, local, and private agencies and organizations.

SEC. 217. JOINT PROJECTS INVOLVING THE DEPARTMENT OF LABOR.

(a) DEVELOPMENT.—The Board may develop, in cooperation with the Secretary of Labor, regulations designed to allow, where appropriate, joint projects in which activities supported by funds authorized under section 219 are coordinated with activities supported by funds authorized under employment and training statutes administered by the Department of Labor (including the Job Training Partnership Act (29 U.S.C. 1501 et seq.)).

(b) STANDARDS.—Regulations promulgated under paragraph (1) shall provide standards for approval of joint projects that meet both the purposes of this title and the purposes of such employment and training statutes under which funds are available to support such projects.

SEC. 218. FEDERAL AND STATE EMPLOYEE STATUS.

(a) IN GENERAL.—Participants and crew leaders are considered as being responsible to, or the responsibility of, the program agency administering the project on which such participants, crew leaders, and volunteers work.

(b) NON-FEDERAL EMPLOYEES.—

(1) IN GENERAL.—Except as otherwise specifically provided in this subsection, a participant or crew leader in a project that receives assistance under this title shall not be considered a Federal employee and shall not be subject to the provisions of law relating to Federal employment.

(2) WORK-RELATED INJURY.—For purposes of subchapter I of chapter 81 of title 5, United States Code, relating to the compensation of Federal employees for work injuries, a participant or crew leader serving in a program that receives assistance under this title shall be considered an employee of the United States within the meaning of the term "employee" as defined in section 8101 of title 5, United States Code, and the provision of that subchapter shall apply, except—

(A) the term "performance of duty", as used in such subchapter, shall not include an act of a participant or crew leader while absent from the assigned post of duty of such participant or crew leader, except while participating in an activity authorized by or under the direction and supervision of a program agency (including an activity while on pass or during travel to or from such post of duty); and

(B) compensation for disability shall not begin to accrue until the day following the date that the employment of the injured participant or crew leader is terminated.

(3) TORT CLAIMS PROCEDURE.—For purposes of chapter 171 of title 28, United States Code, relating to tort claims procedure, a participant or crew leaders assigned to a Youth Service Corps project shall be considered an employee of the United States within the meaning of the term "employee of the government" as defined in section 2671 of such title.

(4) ALLOWANCE FOR QUARTERS.—For purposes of section 5911 of title 5, United States Code, relating to allowances for quarters, a participant or crew leader shall be considered an employee of the United States within the meaning of the term "employee" as defined in paragraph (3) of subsection (a) of that section.

SEC. 219. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to carry out this title $100,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992, 1993, 1994, and 1995.

TITLE III—NATIONAL SERVICE DEMONSTRATION PROGRAM

SEC. 301. SHORT TITLE.

This title may be cited as the "National and Community Service Demonstration Act".

SEC. 302. DEFINITIONS.

As used in this title—

(1) BOARD.—The term "Board" means the National Service Board authorized under title IV.

(2) ELIGIBLE ORGANIZATION.—The term "eligible organization" means a public or private nonprofit organization engaged in meeting human, educational, environmental, or public safety needs.

(3) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the same meaning given that term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(4) PARTICIPANT.—The term "participant" means an individual participating in a program under this title.

(5) PLACEMENT.—The term "placement" means the matching of a participant or team with a specific project.

(6) PROGRAM.—The term "program" means an activity carried out under this title.

(7) SPECIAL SENIOR SERVICE MEMBER.—The term "special senior service member" means an individual who is age 60 or over and willing to work full-time or part-time in conjunction with a full-time national service program.

(8) SPONSORING ORGANIZATION.—The term "sponsoring organization" means an organization, eligible to receive assistance under this title, that has been selected by a State to provide a placement for a participant.

(9) STATE.—The term "State" means a State, the Commonwealth of Puerto Rico, Guam, the District of Columbia, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or Palau.

SEC. 303. GRANTS.

(a) IN GENERAL.—Not later than 1 year from the date of enactment of this title, the Board shall, in accordance with the provisions of this title, make grants to States to create full-time and part-time national service demonstration programs.

(b) TERM OF GRANT.—The term of such grant shall not extend beyond September 30, 1995.

(c) CRITERIA FOR RECEIVING APPLICATIONS.—In awarding such grant to a State, the Board shall consider—

(1) the ability of the proposed program of such State to serve as an effective model for a large-scale national service program;

(2) the quality of the application of such State, including the plan of such State for training, recruitment, placement, and data collection;

(3) the extent that the proposed program builds on existing programs; and

(4) the expediency with which the State proposes to make the program operational.

(d) DIVERSITY.—The Board shall ensure that programs receiving such a grant are geographically diverse and include programs in both urban and rural States.

(e) ALTERNATIVE VOUCHER OPTION LIMITED.—The Board shall ensure that no more than 25 percent of States are authorized to exercise the alternative voucher authorized under section 307(d)(3).

(f) COMPOSITION OF PROGRAMS.—The Board shall ensure that at least 25 percent of programs under section 314 include full-time, part-time and special senior service participants.

(g) NUMBER OF STATES.—

(1) IN GENERAL.—The Board shall ensure that—

(A) no more than five States are authorized to operate full-time programs and no more than five States are authorized to operate part-time programs in fiscal year 1991;

(B) no more than eight States are authorized to operate full-time programs and no more than eight States are authorized to operate part-time programs in fiscal year 1992;

(C) no more than 10 States are authorized to operate full-time programs and no more than 10 States are authorized to operate part-time programs in fiscal year 1993; and

(D) no less than 12 States are authorized to operate full-time programs and no more than 35 States are authorized to operate part-time programs in each of the fiscal years 1994 and 1995.

(2) SINGLE PROGRAM.—For purposes of this subsection, a State operating a single national service program with both full-time and part-time options shall be counted as a State operating a full-time program and a State operating a part-time program.

(3) COOPERATIVE ARRANGEMENT.—For purposes of this subsection, a State operating a national service program involving a cooperative arrangement with a multi-State organization or with sites in more than one State shall be counted as a single State.

(h) STATE APPLICATION FOR GRANT.—In order to receive a grant under this title, a State shall submit an application to the Board at such time and in such manner as the Board may reasonably require. Each such application shall describe—

(1) the State administrative plan for the program, including such functions, if any, that will be carried out by public and private nonprofit organizations pursuant to a grant or contract;

(2) the method that participants, including economically and educationally disadvantaged youth, college-bound youth, and employed individuals, shall be recruited and selected for a program receiving assistance under section 314;

(3) procedures for training, supervising, and organizing participants in such program;

(4) the geographical areas within such State in which the program would be operated to provide the optimum match between the need for volunteer services and the anticipated supply of volunteers;

(5) the plan for placing such participants in teams or making individual placements in such program;

(6) assurances that, before such placement is made, such State will consult with any local labor organization representing employees in the area who are engaged in the same or similar work as that proposed to be carried out by such program;

(7) assurances that, before such placement is made, such State will consult with employees at the proposed project site who are engaged in the same or similar work as that proposed to be carried out by such program;

(8) the anticipated number of full-time and part-time participants and special senior service members in such program;

(9) a plan for recruiting and selecting sponsoring organizations that will receive participants under this title;

(10) procedures for matching such participants with such sponsoring organizations;

(11) the State budget for the program;

(12) whether the State desires to exercise the voucher alternative option authorized under section 307(d)(3);

(13) a plan for evaluating the program and assurances that such State will fully cooperate with any evaluation undertaken by the Board pursuant to section 414; and

(14) other such information as the Board may reasonably require.

SEC. 304. TYPES OF NATIONAL SERVICE.

(a) IN GENERAL.—A participant in a program funded under section 314 shall perform national service to meet unmet educational, human, environmental, and public safety needs, especially those needs relating to poverty.

(b) TYPES OF NATIONAL SERVICE.—Such national service may include the following types of service—

(1) educational service, such as literacy programs, Head Start (as established under 42 U.S.C. 9831)) and other early childhood education programs, tutorial assistance, and service in schools, libraries, and adult education centers;

(2) human service, such as—

(A) service in hospitals, hospices, clinics, community health centers, public health organizations, facilities serving individuals with acquired immune deficiency syndrome, homes for elderly individuals, programs serving individuals with handicapping conditions, and child-care centers; and

(B) service in programs to assist elderly, disabled, poor, and homeless individuals, including programs to build, restore, and maintain housing for poor or homeless individuals and self-help programs;

(3) environmental service, such as service in programs to conserve, recycle, maintain, and restore natural resources in urban and rural environments, to provide recreational opportunities, and to encourage community betterment or beautification;

(4) public safety service, including placement with police, fire departments, courts, and prisons; and

(5) in the case of special senior service members, service to assist a State in administering a program, including mentoring, supervision, and other functions.

SEC. 305. TERMS OF SERVICE.

(a) LENGTH OF SERVICE.—

(1) PART-TIME.—An individual volunteering for part-time national service under this Act shall agree to perform community service for at least 3 years but not more than 6 years, at the discretion of such individual.

(2) FULL-TIME.—An individual volunteering for full-time national service shall agree to perform community service for at least one year but not more than two years, at the discretion of such individual.

(3) SPECIAL SENIOR SERVICE.—A special senior service participant performing national service shall serve for a period of time as allowed by the Board.

(b) PARTIAL COMPLETION OF SERVICE.—If the State releases a participant from completing a term of service in the program for compelling personal circumstances shown by such participant, the Board may provide such participant with a portion of the financial assistance specified in section 307 corresponding to the quantity of the service obligation completed by such individual.

(c) TERMS OF SERVICE.—

(1) PART-TIME.—A participant performing part-time national service shall serve for—

(A) 2 weekends a month and 2 weeks during the year; or

(B) an average of 9 hours per week.

(2) FULL-TIME.—A participant performing full-time national service shall serve for not less than 40 hours per week.

(3) SPECIAL SENIOR SERVICE.—A special senior service participant performing national service shall serve either part-time or full-time as allowed by the Board.

SEC. 306. ELIGIBILITY.

(a) PART-TIME.—

(1) ELIGIBILITY REQUIREMENTS.—An individual may serve in a part-time national service program if such individual—

(A) is age 17 or over;

(B) is a citizen of the United States or lawfully admitted for permanent residence.

(2) PRIORITY.—In selecting applicants for a part-time program, States shall give priority to applicants who are currently employed.

(b) FULL-TIME.—An individual may serve in a full-time national service program if such individual—

(1) is age 17 or over;

(2) has received a high school diploma or the equivalent of such diploma, or agrees to achieve a high school diploma or the equivalent of such diploma while participating in the program; and

(3) is a citizen of the United States or lawfully admitted for permanent residence.

(c) SPECIAL SENIOR SERVICE.—An individual may serve as a special senior service member if such individual—

(1) is age 60 or over; and

(2) meets the eligibility criteria for special senior service membership established by the Board.

SEC. 307. VOUCHERS.

(a) PART-TIME.—The Board shall annually provide to each part-time participant a non-transferrable voucher that is equal in value to $3,000 for each year of service that such participant provides to the program.

(b) FULL-TIME.—The Board shall annually provide to each full-time participant a non-transferrable voucher that is equal in value to $8,500 for each year of service that such participant provides to the program.

(c) SPECIAL SENIOR SERVICE PARTICIPANT.—A special senior service participant shall be ineligible to receive a voucher under this section.

(d) USE OF VOUCHER.—

(1) PART-TIME.—A voucher issued pursuant to subsection (a) shall only be used for—

(A) payment of a student loan from Federal or non-Federal sources;

(B) downpayment or closing costs for a first home; or

(C) tuition at an institution of higher education on a full-time basis, or the expenses incurred in the full-time participation in an apprenticeship program approved by the appropriate State agency.

(2) FULL-TIME.—A voucher issued pursuant to subsection (b) shall only be used for—

(A) payment of a student loan from Federal or non-Federal sources;

(B) downpayment or closing costs for a first home; or

(C) tuition, room and board, books and fees, and other costs associated with attendance (pursuant to section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087ll)) at an institution of higher education on a full-time basis, or the expenses incurred in the full-time participation in an apprenticeship program approved by the appropriate State agency.

(3) ALTERNATIVE VOUCHER OPTION.—A State administering a full-time national service program may apply to the Board for authorization to offer an alternative voucher option limiting the use of vouchers to either education or housing.

(e) EXCLUSION FROM GROSS INCOME.—For purposes of section 61 of the Internal Revenue Code of 1986, any compensation received under this section by a participant shall not be considered gross income.

SEC. 308. LIVING ALLOWANCE.

(a) IN GENERAL.—Each participant in a full-time national service program shall receive a living allowance of not less than 100 percent of the poverty line for a single individual (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) and not more than 100 percent of the amount such participant would have earned if such participant had been paid at a rate equal to the minimum wage for a 40-hour workweek under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) during the period of service of such participant.

(b) HEALTH INSURANCE.—In addition to the living allowance provided under subsection (a), each participant in a full-time national service program shall be provided with health insurance.

(c) SPECIAL SENIOR SERVICE PARTICIPANT.—

(1) FULL-TIME.—Each full-time special senior service participant shall receive a living allowance equal to the living allowance provided to full-time participants under subsection (a) and such other assistance as the Board considers necessary and appropriate for a special senior service participant to carry out the service obligation of such participant.

(2) PART-TIME.—Each part-time special senior service participant shall receive a living allowance equal to a share of such allowance offered to a full-time special senior service participant under paragraph (1), that has been prorated according to the number of hours such part-time participant serves in the program and such other assistance that the Board considers necessary and appro-

priate for a special senior service participant to carry out the service obligation of such participant.

SEC. 309. TRAINING.

(a) PROGRAM TRAINING.—

(1) IN GENERAL.—Each participant shall receive 3 weeks of training conducted by the Board in cooperation with the State.

(2) CONTENTS OF TRAINING SESSION.—Each training session described in paragraph (1) shall—

(A) orient each participant to the nature, philosophy, and purpose of the program;

(B) build an ethic community service; and

(C) train each participant to effectively perform the assigned program task of such participant by providing—

(i) general training in citizenship and civic and community service; and

(ii) if feasible, specialized training for the type of national service that each participant will perform.

(b) ADDITIONAL TRAINING.—Each State may provide additional training for participants.

(c) AGENCY OR ORGANIZATION TRAINING.—In addition to the training described in subsections (a) and (b), each participant shall receive training from the sponsoring organization in skills relevant to the work to be conducted.

SEC. 310. USE OF FUNDS.

(a) PROHIBITED USES.—No Federal funds shall be expended for training provided pursuant to section 309(b), State administration, State recruitment, supervision of participants, inservice education benefits provided pursuant to section 312, grievance procedures and arbitration required under subsection 411(e), the State cost of data collection, the expenses of State advisory committees, or constructing, building, or renovating any physical structure or facility.

(b) ALLOWABLE USES.—The expenditure of Federal funds shall be limited to training provided pursuant to section 309(a), vouchers provided pursuant to section 307, living allowances and health insurance provided pursuant to section 308(b), Federal administrative costs under sections 414 and 416, and the costs of evaluations conducted pursuant to section 414.

SEC. 311. PUBLIC-PRIVATE PARTNERSHIP.

The Board shall consider and develop opportunities for cooperation between public and private entities in the funding and execution of a program funded under section 314, including cost-sharing arrangements with sponsoring organizations.

SEC. 312. IN-SERVICE EDUCATION BENEFITS.

Each State that receives funds under section 314 shall provide to each participant enrolled in a full-time program funded under section 314 in-service educational services and materials to enable such participant to obtain a high school diploma or the equivalent of such diploma.

SEC. 313. NATIONAL SERVICE DEMONSTRATION PROGRAM AMENDMENTS.

(a) TREATMENT OF EDUCATION AND HOUSING VOUCHER.—For purposes of determining eligibility for programs under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) (hereafter in this section referred to as the "Act"), vouchers received under this Act shall be considered as estimated financial assistance as defined in section 428(a)(2)(C)(i) of title IV of the Act (20 U.S.C. 1078(a)(2)(C)(i)), except that in no case shall such a voucher be considered as—

(1) annual adjusted family income as defined in section 411F(1) of subpart 1 of part A of title IV of the Act (20 U.S.C. 1070a-6); or

(2) total income as defined in section 480(a) of part F of title IV of the Act (20 U.S.C. 1087vv(a)).

(b) TREATMENT OF STIPEND FOR LIVING EXPENSES.—In no case shall stipends received under this Act be considered in the determination of expected family contribution or independent student status under—

(1) subpart 1 of part A of title IV of the Act (20 U.S.C. 1070a et seq.); or

(2) part F of title IV of the Act (20 U.S.C. 1087kk et seq.).

(c) CONFORMING AMENDMENTS.—The Act is amended—

(1) in section 411F(9) (20 U.S.C. 1070a-6(9)), by adding at the end thereof the following new subsection:

"(F) Annual adjusted family income does not include any stipend received by a participant in the National Service Demonstration Program established under the National and Community Service Act of 1989.";

(2) in section 411F(12)(B)(vi) (20 U.S.C. 1070a-6(12)(B)(vi)), by striking "(including all sources of resources other than parents)" and inserting "(including all sources of resources other than parents and stipends received as a result of participation in the National Service Demonstration Program established under the National and Community Service Act of 1989.";

(3) in section 480(f) (20 U.S.C. 1087vv(f)), by—

(A) striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting a semicolon and "and"; and

(C) adding at the end thereof the following new paragraph:

"(3) any stipend received by a participant in the National Service Demonstration Program established under the National and Community Service Act of 1989."; and

(4) in section 480(d)(2)(F) (20 U.S.C. 1087vv(d)(2)(F)), by inserting after "other than parents" "and stipends received as a result of participation in the National Service Demonstration Program established under the National and Community Service Act of 1989)".

SEC. 314. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title $100,000,000 in fiscal year 1991, $125,000,000 in fiscal year 1992, $150,000,000 in fiscal year 1993, $300,000,000 in fiscal year 1994, and $300,000,000 in fiscal year 1995.

TITLE IV—CORPORATION FOR NATIONAL SERVICE

SEC. 401. DEFINITIONS.

As used in this title:

(1) BOARD.—The term "Board" means the Board of Directors for the Corporation for National Service.

(2) CORPORATION.—The term "Corporation" means the Corporation for National Service, as established by section 402(a).

(3) ELECTION.—The term "election" has the same meaning, when referring to an election for Federal office, as given such term in section 301(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(1)).

(4) FEDERAL OFFICE.—The term "Federal office" has the same meaning as given that term in section 301(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(3)).

SEC. 402. ESTABLISHMENT OF CORPORATION; APPLICATION OF DISTRICT OF COLUMBIA NONPROFIT CORPORATION ACT.

(a) ESTABLISHMENT.—There is established a nonprofit corporation, to be known as the "Corporation for National Service", that shall not be considered an agency or establishment of the United States Government.

(b) APPLICATION OF DISTRICT OF COLUMBIA NONPROFIT CORPORATION ACT.—The Corporation shall be subject to this Act, and to the extent consistent with this Act, to the District of Columbia Nonprofit Corporation Act.

SEC. 403. BOARD OF DIRECTORS.

(a) APPOINTMENT.—

(1) IN GENERAL.—The Corporation shall be directed by a National Service Board consisting of 11 members appointed by the President, by and with the advice and consent of the Senate.

(2) TIME PERIOD FOR APPOINTMENTS.—The President shall appoint members of the Board not later than 90 days after the date of enactment of this title.

(3) POLITICAL AFFILIATION.--Not more than six members of the Board shall be members of the same political party.

(4) NOMINATIONS.—Three of the members of the Board shall be appointed from individuals nominated by the Speaker of the House of Representatives, and three of such members shall be appointed from individuals nominated by the majority leader of the Senate.

(b) QUALIFICATIONS.—The President shall select the members of the Board—

(1) from among citizens who are eminent in such fields as community service, youth service, education, civic affairs, business, labor, or military service; and

(2) so as to provide as nearly as practicable a broad representation of various regions of the United States, various professions and occupations, and a variety of talent and experience appropriate for the performance of the functions and responsibilities of the Corporation.

(c) INCORPORATION.—The members of the initial Board of Directors shall serve as incorporators and shall take whatever actions are necessary to incorporate the Corporation under the District of Columbia Nonprofit Corporation Act.

(d) TERM OF OFFICE.—The term of office of each member of the Board shall be 7 years, except that—

(1) any member appointed to fill a vacancy within the Board occurring prior to the expiration of the term for which the predecessor of such member was appointed shall be appointed for the remainder of such term;

(2) initial appointments to the Board shall be for terms of 3, 5, or 7 years; and

(3) no member of the Board shall be eligible to serve more than two consecutive terms.

(e) VACANCY.—A vacancy in the Board shall not affect the power of the Board and shall be filled in the same manner as the original appointment.

(f) MEETINGS.—

(1) REQUIREMENT.—A member of the Board shall attend not less than 50 percent of all duly convened meetings of the Board in any calendar year.

(2) PENALTY.—

(A) IN GENERAL.—A member who fails to meet the requirement of paragraph (1) shall forfeit membership on the Board.

(B) APPOINTMENT OF NEW MEMBER.—The President shall appoint a new member to fill such vacancy created under subparagraph (A) (while meeting the requirements of subsection (e)), not later than 30 days after such vacancy is determined by the Chairperson of the Board, as elected in subsection (g).

(3) QUORUM.—Six members of the Board shall constitute a quorum.

(g) ELECTION OF CHAIRPERSON AND VICE CHAIRPERSON.—Members of the Board shall annually elect one such member to be Chairperson and elect one or more of such members as a Vice Chairperson.

(h) COMPENSATION OF BOARD MEMBERS.—

(1) NON-FEDERAL EMPLOYEE.—A member of the Board shall not, by reason of such membership, be considered to be an officer or employee of the United States.

(2) COMPENSATION.—Except as provided in paragraphs (3) and (4), a member of the Board shall, while away from the home or regular place of business of such member, be allowed travel and actual, reasonable, and necessary expenses.

(3) FEDERAL EMPLOYEE.—A member of the Board who is a full-time officer or employee of the United States shall receive no additional pay, allowances, or benefits by reason of such membership.

SEC. 404. OFFICERS AND EMPLOYEES.

(a) IN GENERAL.—

(1) RATE OF BASIC PAY.—The Corporation shall have a President, and such other officers and employees as may be named and appointed by the Board for terms and at rates of compensation fixed by the Board, except that no officer or employee of the Corporation may receive compensation at an annual rate of pay that exceeds the rate of basic pay payable from time to time for level I of the Executive Schedule under section 5312 of title 5, United States Code.

(2) ADDITIONAL COMPENSATION.—No officer or employee of the Corporation shall receive any salary or other compensation from any source other than the Corporation for services performed for the Corporation.

(3) TERM OF OFFICE.—All officers and employees of the Corporation shall serve at the pleasure of the Board.

(b) EMPLOYMENT OF SPECIAL SENIOR SERVICE MEMBERS.—In selecting employees, the Board is encouraged to include members of the Special Senior Service as defined in section 302(8).

(c) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Corporation without payment of reimbursement to the detailing agency. A detail of a Federal employee under this subsection shall not result in the interruption or loss of civil service status or privilege of such employee.

SEC. 405. NONPROFIT AND NONPOLITICAL NATURE OF THE CORPORATION.

(a) LIMITATIONS ON POWERS.—

(1) ISSUANCE OF STOCK.—The Corporation shall not issue any shares of stock or declare or pay any dividends.

(2) INCOME OR ASSETS OF THE CORPORATION.—No part of the income or assets of the Corporation shall inure to the benefit of any director, officer, employee, or any other individual except as salary or reasonable compensation for services on behalf of the Corporation.

(b) NONPOLITICAL NATURE OF CORPORATION.—The Corporation shall not contribute to or otherwise support any political party or candidate for elective public office.

SEC. 406. HOUSING AND EDUCATION VOUCHERS; LIVING ALLOWANCES.

(a) HOUSING AND EDUCATION VOUCHERS.—The Corporation shall issue housing and education vouchers pursuant to section 307. The Board shall consult with the Department of Education in issuing education vouchers.

(b) LIVING ALLOWANCES.—The Corporation shall establish living allowances pursuant to section 308, taking into account regional variations in the cost of living.

SEC. 407. REPORTS.

(a) STATE REPORTS.—

(1) IN GENERAL.—Each State receiving funds under part A of title I and titles II and III shall submit an annual report to the Board on the status of national and community youth service programs in such State.

(2) LOCAL GRANTEES.—Each State may require local grantees receiving funds under part A of title I and titles II and III to supply such information as is necessary to complete such report, including a comparison of actual accomplishments with the goals established for the program, the number of participants in the program, the number of service hours generated, and the existence of any problems, delays or adverse conditions that have affected or will affect the attainment of program goals.

(3) REPORT DEMONSTRATING COMPLIANCE.—

(A) IN GENERAL.—Each State receiving funds pursuant to this title shall include information in such report that demonstrates compliance with the provisions of section 412.

(B) LOCAL GRANTEES.—Each State may require local grantees to supply such information as is necessary to comply with paragraph (1).

(4) AVAILABILITY OF REPORT.—Such report shall be available to the public on request.

(b) REPORT TO CONGRESS.—

(1) IN GENERAL.—The Board shall, not later than 120 days after the end of each fiscal year, prepare and submit to the appropriate authorizing and appropriation committees in Congress a report on programs funded under part A of titles I and titles II and III.

(2) CONTENT.—Such report shall summarize information contained in State reports required under subsection (a) and reflect the findings and actions taken as a result of any evaluation conducted by the Board.

SEC. 408. SUPPLEMENTATION.

(a) IN GENERAL.—All Federal funds and funds used to pay the remainder of the costs of programs assisted under part A of title I and titles II and III shall be used to supplement the level of State and local public funds expended for services assisted under this Act in the previous fiscal year.

(b) AGGREGATE EXPENDITURE.—Subsection (a) shall be satisfied, with respect to a particular program, if the aggregate expenditure in such program for the fiscal year in which services are to be provided will not be less than the aggregate expenditure in such program in the previous fiscal year, excluding Federal funds and funds used to pay the remainder of the costs of programs assisted under this title.

SEC. 409. PROHIBITION ON USE OF FUNDS.

(a) IN GENERAL.—Funds provided under part A of title I and titles II and III shall not be used by program participants and program staff to—

(1) give religious instruction, conduct worship services, or engage in any form of proselytization;

(2) assist, promote, or deter union organizing; and

(3) finance, directly or indirectly, an activity designed to influence the outcome of an election to Federal office or the outcome of an election to a State or local public office.

(b) CONTRACTS OR COLLECTIVE BARGAINING AGREEMENTS.—A project assisted under this title shall not impair existing contracts for services or collective bargaining agreements.

SEC. 410. NONDISCRIMINATION.

(a) IN GENERAL.—Any financial assistance provided under this Act shall constitute Federal financial assistance for purposes of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), and the regulations issued thereunder.

(b) NONDISCRIMINATION.—An individual with responsibility for the operation of a program funded under this part A of title I and titles II or III shall not discriminate in the selection of participants to such program because of race, religion, color, national origin, sex, age, handicap, or political affiliation.

(c) RULES AND REGULATIONS.—

(1) EDUCATION.—In the case of programs funded under part A of title I, the Secretary of Education shall issue rules and regulations to provide for the enforcement of this section that shall include provisions for summary suspension of assistance for no more than 30 days, on an emergency basis, until notice and an opportunity to be heard can be provided.

(2) VOLUNTEER SERVICE.—In the case of programs funded under title II and title III of this Act, the Board shall issue rules and regulations to provide for the enforcement of this section that shall include provisions for summary suspension of assistance for not more than 30 days, on an emergency basis, until notice and an opportunity to be heard can be provided.

SEC. 411. NOTICE, HEARING, AND GRIEVANCE PROCEDURES.

(a) IN GENERAL.—

(1) SUSPENSION OF PAYMENTS.—The Secretary of Education (in the case of a program funded under title I) or the Board (in the case of a program funded under title II or III), is authorized, in accordance with the provisions of this Act, to suspend payments or to terminate payments under a contract or grant providing assistance under this Act whenever the Secretary determines there is a material failure to comply with this Act or the applicable terms and conditions of any such grant or contract issued pursuant to this Act.

(2) PROCEDURES TO ENSURE ASSISTANCE.—The Secretary of Education (in the case of a program funded under part A of title I) or the Board (in the case of a program funded under title II or III) shall prescribe procedures to ensure that—

(A) assistance under this Act shall not be suspended for failure to comply with the applicable terms and conditions of this Act except, in emergency situations, a suspension may be granted for 30 days; and

(B) assistance under this Act shall not be terminated for failure to comply with applicable terms and conditions of this Act unless the recipient of such assistance has been afforded reasonable notice and opportunity for a full and fair hearing.

(b) HEARINGS.—Hearings or other meetings that may be necessary to fulfill the requirements of this section shall be held at locations convenient to such recipient.

(c) TRANSCRIPT OR RECORDING.—A transcript or recording shall be made of a hearing conducted under this section and shall be available for inspection by any individual.

(d) STATE LEGISLATION.—Nothing in this Act shall be interpreted to preclude the enactment of State legislation providing for the implementation, consistent with this Act, of the programs administered under this Act.

(e) GRIEVANCE PROCEDURE—

(1) IN GENERAL.—State and local applicants funded under part A of title I and titles II, and III shall establish and maintain a procedure to adjudicate grievances from participants, labor organizations, and other interested individuals concerning projects funded under this Act, including grievances regarding proposed placements of such participants in such projects.

(2) DEADLINE FOR GRIEVANCES.—Except for a grievance that alleges fraud or criminal activity, a grievance shall be made within 1 year after the date of the alleged occurrence.

(3) DEADLINE FOR HEARING AND DECISION.—

(A) HEARING.—A hearing on any grievance shall be conducted within 30 days of filing such grievance.

(B) DECISION.—A decision on any grievance shall be made not later than 60 days after the filing of such grievance.

(4) ARBITRATION.—

(A) IN GENERAL.—On the occurrence of an adverse grievance decision, or 60 days after the filing of such grievance if no decision has been reached,

the party filing the grievance shall be permitted to submit such grievance to binding arbitration before a qualified arbitrator who is jointly selected and independent of the interested parties.

(B) DEADLINE FOR PROCEEDING.—An arbitration proceeding shall be held within 45 days after the request for such arbitration.

(C) DEADLINE FOR DECISION.—A decision on such grievance shall be made within 30 days after the date of such arbitration proceeding.

(D) COST.—The cost of such arbitration proceeding shall be divided evenly between the parties.

(5) PROPOSED PLACEMENT.—If a grievance is filed regarding a proposed placement of a participant in a program assisted under this Act, such placement shall not be made unless such grievance is resolved pursuant to this subsection.

(6) REMEDIES.—Remedies for a grievance filed under this subsection include—

(A) suspension of payments for assistance under this Act;

(B) termination of such payments; and

(C) prohibition of such placement described in paragraph (5).

SEC. 412. NONDUPLICATION AND NONDISPLACEMENT.

(a) NONDUPLICATION.—

(1) IN GENERAL.—Funds provided under this Act shall be used only for a program that does not duplicate, and is in addition to, an activity otherwise available in the locality of such program.

(2) PRIVATE NONPROFIT ENTITY.—Funds available under this Act shall not be provided to a private nonprofit entity to conduct activities that are the same or substantially equivalent to activities provided by a State or local government agency that such entity resides in, unless the requirements of subsection (b) are met.

(b) NONDISPLACEMENT.—

(1) IN GENERAL.—An employer shall not displace an employee or position, including partial displacement such as reduction in hours, wages, or employment benefits, as a result of the use by such employer of a participant in a program established under this Act.

(2) SERVICE OPPORTUNITIES.—A service opportunity shall not be created under this Act that will infringe in any manner on the promotional opportunity of an employed individual.

(3) LIMITATION ON SERVICES.—

(A) DUPLICATION OF SERVICES.—A participant in a program under this Act shall not perform any services or duties or engage in activities that would otherwise be performed by an employee as part of the assigned duties of such employee.

(B) SUPPLANTATION OF HIRING.—A participant in any program under this Act shall not perform any services or duties or engage in activities that will supplant the hiring of employed workers.

(C) DUTIES FORMERLY PERFORMED BY ANOTHER EMPLOYEE.—A participant shall not perform services or duties that have been performed by or were assigned to any—

(i) presently employed worker;

(ii) employee who recently resigned or was discharged;

(iii) employee who is subject to a reduction in force;

(iv) employee who is on leave (terminal, temporary, vacation, emergency, or sick); or

(v) employee who is on strike or who is being locked out.

SEC. 413. STATE ADVISORY BOARD.

(a) FORMATION OF BOARD.—Each State applying for funds under part A of title I or titles II or III shall form a State Advisory Board for National and Community Service.

(b) APPOINTMENT OF MEMBERS.—The Governor of such State shall appoint members to such Advisory Board from among—

(1) representatives of State agencies administering community service, youth service, education, social service, and job training programs; and

(2) representatives of labor, business, agencies working with youth, community-based organizations such as community action agencies, students, teachers, Older American Volunteer Programs as established under title II of the Domestic Volunteer Act of 1973 (42 U.S.C. 5001 et seq.), full-time youth service corps programs, school-based community service programs, higher education institutions, local educational agencies, volunteer public safety organizations, educational partnership programs, and other organizations working with volunteers.

(c) DUTIES OF BOARD.—The State Advisory Board for National and Community Service shall assist the State agency administering a program funded under part A of title I or titles II or III in—

(1) coordinating service programs and related programs within the State;

(2) disseminating information about service programs funded under this Act;

(3) recruiting participants for programs funded under this Act; and

(4) developing programs, training methods, curriculum materials, and other materials and activities related to programs funded under this Act.

SEC. 414. EVALUATION.

(a) IN GENERAL.—The Board shall provide, through grants or contracts, for the continuing evaluation of programs assisted under titles II and III, including evaluations that measure and evaluate the impact of programs authorized by titles II and III, in order to determine—

(1) the effectiveness of such programs in achieving stated goals in general and in relation to cost;

(2) the impact of such programs on related programs, including VISTA, the military, the Peace Corps (as established by the Peace Corps Act (22 U.S.C. 2501 et seq.)), and the National Guard; and

(3) the structure and mechanisms for delivery of services for such programs.

(b) COMPARISONS.—The Board shall include in such evaluations, where appropriate, comparisons of participants in such programs with individuals who have not participated in such programs.

(c) CONDUCTING EVALUATIONS.—Evaluations of such program shall be conducted by individuals who are not directly involved in the administration of such program.

(d) PROGRAM OBJECTIVES.—The Board shall ensure that programs funded under title III are evaluated for effectiveness in—

(1) recruiting and enrolling of diverse participants in such programs, consistent with the requirements of section 306, based on economic background, race, ethnicity, age, marital status, education levels, and handicap;

(2) promoting of the educational achievement of each participant in such programs, based on earning a high school diploma or the equivalent of such diploma and the future enrollment and completion of increasingly higher levels of education;

(3) encouraging each participant to engage in public and community service after completion of the program based on career choices and service in other service programs such as the Volunteers in Service to America program established under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.), the Peace Corps (as established by the Peace Corps Act (22 U.S.C. 2501 et seq.)), the military, and part-time volunteer service;

(4) promoting of positive attitudes among each participant regarding the role of such participant in solving community problems based on the view of such participant regarding the personal capacity of such participant to improve the lives of others, the responsibilities of such participant as a citizen and community member, and other factors;

(5) enabling each participant to finance a lesser portion of the higher education of such participant through student loans;

(6) providing services and projects that benefit the community;

(7) supplying additional volunteer assistance to community agencies, but not overloading such agencies with more volunteers than can effectively be utilized;

(8) providing services and activities that could not otherwise be performed by employed workers and that will not supplant the hiring of, or result in the displacement of, employed workers or impair the existing contracts of such workers; and

(9) attracting a greater number of citizens to public service, including service in the active and reserve components of the Armed Forces, the National Guard, the Peace Corps (as established by the Peace Corps Act (22 U.S.C. 2501 et seq.)), and VISTA.

(e) COMPARISON OF PROGRAM MODELS.—The Board shall evaluate and compare the effectiveness of different program models in meeting the program objectives under subsection (d) including full-time and part-time programs, programs involving different types of national service, programs using different recruitment methods, programs offering alternative voucher options, and programs utilizing individual placements and teams.

(f) OBTAINING INFORMATION.—

(1) IN GENERAL.—In performing the evaluation required under subsection (d), the Board may require each program participant and State or local applicant to

provide such information as may be necessary to carry out the requirements of this section.

(2) CONFIDENTIALITY.—The Board shall keep such information confidential.

(g) DEADLINE.—The Board shall complete the evaluation required under subsection (d) not later than 4 years after the date of enactment of this Act.

SEC. 415. FUNDING.

Of funds appropriated for titles II and III of this Act, not less than $5 million or more than $25 million shall be made available to the Board for program support and activities referred to in sections 414 and 416.

SEC. 416. FUNCTIONS OF THE NATIONAL SERVICE BOARD.

The National Service Board shall—

(1) administer programs authorized under title II and title III of this Act;

(2) provide, directly or through contract with public or private nonprofit organizations with extensive experience in service programs, training and technical assistance to States, full-time youth service corps, and national service demonstration programs;

(3) in consultation with the Department of Education, provide one or more clearinghouses for information on service (the Board may contract with public or private non-profit organizations with extensive experience in service to perform such clearinghouse function);

(4) consult with appropriate Federal agencies in administering programs funded under titles II and III; and

(5) arrange for the evaluation of programs authorized under titles II and III of this Act, in accordance with section 414.

SEC. 417. PRESIDENTIAL AWARDS FOR SERVICE.

(a) PRESIDENTIAL AWARDS.—

(1) IN GENERAL.—The President is authorized to make Presidential Awards for service to individuals demonstrating outstanding community service and to outstanding service programs.

(2) NUMBER OF AWARDS.—The President is authorized to make one individual and one program award in each Congressional district, and one statewide program award in each State.

(3) CONSULTATION.—The President shall consult with the Governor of each State in the selection of individuals and programs for Presidential Awards.

(4) PARTICIPANTS IN PROGRAMS.—An individual receiving an award under this section need not be a participant in any program assisted under this Act.

(b) INFORMATION.—The President shall ensure that information concerning individuals and programs receiving awards under this section is widely disseminated.

SEC. 418. COMPREHENSIVE SERVICE STRATEGY.

The President shall design a comprehensive Federal service strategy that shall include—

(1) the review of existing programs to identify and expand opportunities for service, especially by students and out-of-school youth;

(2) the designation of a senior official in each Federal agency who will be responsible for developing youth service opportunities in existing programs nationwide;

(3) the establishment of service projects in each Federal agency;

(4) the encouragement of Federal employees to participate in service projects;

(5) the designation of an executive branch official to coordinate the Federal service strategy; and

(6) the annual recognition of outstanding service programs by a Federal agency.

SEC. 419. ENGAGEMENT OF PARTICIPANTS.

A State shall not engage a participant to serve in any program funded under this Act unless and until Federal funds have been appropriated for vouchers and other necessary expenses and costs associated with such participant in such fiscal year in such State.

TITLE V—EXPANSION OF VOLUNTEERS IN SERVICE TO AMERICA

SEC. 501. SHORT TITLE.

This title may be cited as the "VISTA Expansion Act of 1989".

SEC. 502. AUTHORIZATION OF APPROPRIATIONS.

(a) NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS.—Section 501 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5081) is amended by striking out paragraph (1) of subsection (a) and inserting in lieu thereof the following new paragraph:

"(1) There are authorized to be appropriated to carry out part A of title I (except section 109) $30,600,000 for fiscal year 1990, $39,909,000 for fiscal year 1991, $47,800,900 for fiscal year 1992, and $56,500,000 for fiscal year 1993.".

TITLE VI—NATIONAL OLDER AMERICANS VOLUNTEER PROGRAMS

SEC. 601. SHORT TITLE.

This title may be cited as the "National Older American Volunteer Programs Expansion Act of 1989".

SEC. 602. PROGRAMS OF NATIONAL AND LOCAL SIGNIFICANCE.

Part D of title II of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5021 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 225. PROGRAMS OF NATIONAL AND LOCAL SIGNIFICANCE.

"(a) IN GENERAL.—The Director shall establish, within each program authorized under this title, a program for making grants to support programs that address national problems on a local level.

"(b) USE OF GRANTS.—The recipient of a grant under the program established under subsection (a) shall use such grant to provide creative solutions to urgent problems.

"(c) AWARDING OF GRANTS.—

"(1) ESTABLISHMENT OF PROGRAM.—There is established the 'Programs of National and Local Significance' program. Under the program, the Director shall award grants each year to programs administered under this title to respond to an identified community need.

"(2) AWARDS.—

"(A) IN GENERAL.—The grants authorized under paragraph (i) may be awarded to both existing and new projects.

"(B) LIMITATION.—A grant under paragraph (1) may not exceed $150,000 per year.

"(3) CRITERIA FOR AWARDING GRANTS.—

"(A) IN GENERAL.—Under the program established under paragraph (1), the Director shall award grants based on a demonstration by an applicant that such grant will enable such applicant to uniquely and effectively respond to an identified community need.

"(d) USE OF GRANTS.—A program receiving a grant under subsection (a) shall demonstrate that assistance provided by such grants shall be used to increase—

"(1) the total number of volunteers supported by such projects; and

"(2) the number of volunteers in such projects engaged in responding to the identified community need referred to in subsection (g) for which such grant was made.

"(e) DISSEMINATION OF INFORMATION.—The Director shall disseminate information on the Programs of National and Local Significance established under this section to field personnel of the ACTION Agency and other community volunteer organizations that request such information.".

"(f) PRIORITY.—Priority for grants under this section shall be given to the following programs of national significance—

"(1) programs that assist individuals with chronic and debilitating illnesses such as immune deficiency syndrome;

"(2) programs designed to decrease drug and alcohol abuse;

"(3) programs that work with teenage parents;

"(4) mentoring programs that match senior volunteers with youth who need guidance;

"(5) adult and school-based literacy programs;

"(6) respite care, including care for frail elderly individuals and disabled or chronically ill children living at home;

"(7) before and after-school programs, sponsored by organizations such as libraries, that serve children of working parents;

"(8) programs working with boarder babies;

"(9) programs serving children who are enrolled in child care programs with priority given to those serving children with special needs; and

"(10) the provision of care to developmentally disabled adult individuals residing in home and community-based settings, and when appropriate, the involvement of older developmentally disabled individuals as Older American Volunteer Program volunteers.

"(g) FUNDING.—

"(1) AMOUNTS TO BE MADE AVAILABLE.—Notwithstanding any other provision of law, the Director shall make amounts under section 502 available to carry out this section.

"(2) DIRECTOR.—The Director shall not make grants under this section within a program authorized under this title unless the amount appropriated under section 502 for such program, for the fiscal year that such grants are made, exceeds 105 percent of the amount appropriated for the preceding fiscal year for such program.".

SEC. 603. AUTHORIZATION OF APPROPRIATIONS.

(a) RETIRED SENIOR VOLUNTEER PROGRAM.—Section 502(a) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5082(a)) is amended—

(1) by striking out "and" after "1988,"; and

(2) by inserting after "1989" the following: ", $39,900,000 for fiscal year 1990, $43,900,000 for fiscal year 1991, $48,300,000 for fiscal year 1992, and $53,100,000 for fiscal year 1993,".

(b) FOSTER GRANDPARENT PROGRAM.—Section 502(b) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5082(b)) is amended—

(1) by striking out "and" after "1988,";

(2) by inserting after "1989" the following: ", $70,800,000 for fiscal year 1990, $80,900,000 for fiscal year 1991, $91,700,000 for fiscal year 1992, and $98,200,000 for fiscal year 1993,".

(c) SENIOR COMPANION PROGRAM.—Section 502(c) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5082(c)) is amended—

(1) by striking "and" after "1988,"; and

(2) by inserting after "1989" the following: ", $36,600,000 for fiscal year 1990, $39,000,000 for fiscal year 1991, $44,700,000 for fiscal year 1992, and $48,700,000 for fiscal year 1993,".

I. BACKGROUND AND NEED

Service to others is an ideal that has served America well throughout history. John Winthrop, the first elected governor of the Massachusetts Bay Colony, captured this idea in words that ring true even three-and-a-half centuries later. "We must delight in each other," Winthrop told the colonists, "make others' condictions our own, rejoice together, mourn together, labor and suffer together, always having before our eyes our community. * * *" In this spirit, volunteers have served the nation in times of crisis—in war, depression, or natural disaster. In quieter times, they have served the community, helping a neighbor in need or a stranger in trouble. It is understood that the rights of citizenship carry with them the responsibilities of looking out for the good of the community.

At times, the nation has called citizens into service—both civilian and military—to meet a national need or to revitalize the national spirit. In the 1930s, President Franklin Roosevelt created the Civilian Conservation Corps. Today we continue to benefit from the

work of the Corps, which erected 3,400 fire lookout towers, built untold numbers of National Park facilities, and hand-planted more than two billion trees. A quarter century ago, President, Kennedy urged all Americans to ask what they could do for their country. The legacy of that charge—the Peace Corps, VISTA, and the Older Americans Volunteer Programs—survives, and each year, hundreds of thousands of adults, young and old, serve their communities, their country, and underdeveloped nations throughout the world.

The American tradition involves many streams of service. Members of the military, VISTA, and the Peace Corps receive living support and education benefits such as grants or loan deferrals. Members of the fifty conservation and youth service corps across the country also work full-time and receive living expenses. Foster Grandparents and Senior Companions volunteer part-time and receive an hourly stipend. Retired Senior Volunteer Program participants and volunteers in thousands of local programs volunteer part-time and receive no stipend.

Throughout the last decade, numerous legislative proposals have been introduced to expand the federal commitment to national service. While many of these bills were modest in scope and cost, none was enacted. During the same period, federal commitment for federal volunteer programs declined dramatically—in 1981, the VISTA program was cut in half; the Young Adult Conservation Corps was eliminated.

This year however, has brought an unprecedented number of national service proposals. Witnesses at hearings on national and community service attribute the revival of support for service programs in part to demographic and social factors. According to Admiral James D. Watkins, Secretary of Energy:

> [A]t the center of many of our worst domestic problems are good people who are almost totally disconnected form a healthy, close-knit, caring, strong and supportive community, including a family. A disintegrated community is what leaves an individual desolate, alone, alienated, disoriented, powerless, unloved, insecure, unhappy, and most debilitating of all, without any self-esteem.

Watkins, testifying on behalf of the Bush Administration, advocated a national services foundation to "tap and channel the energy and enthusiasm of America's young people" as a response to this "disintegration" of society.

The W.T. Grant Foundation offered similar justifications for the expansion of youth service opportunities in a report released in August 1988. The report, entitled "Facts and Faith: A Status Report on Youth Service," suggested that young people used to be initiated into a lifelong commitment to caring for others through family, church, and school, influences that have diminished in recent years. As a result, young people feel isolated from society, a condition that helps account for high rates of school dropouts, drug and alcohol abuse, teenage pregnancy, and suicide. The report urged action to increase youth service opportunities, particularly through schools.

The Carnegie Foundation for the Advancement of Teaching reached a similar conclusion. Foundation President Ernest L. Boyer notes:

> Time and again, students complained that they felt isolated, unconnected to the larger world. We were struck during our study that teenagers can go through twelve years of formal education without becoming socially engaged, without spending time with older people who may be lonely, helping a child who has not learned to read, cleaning up the litter on the street, or even rendering some useful service to the school itself. And this life of detachment occurs at the very time students are deciding who they are and where they fit.* * * Students do not see formal education as having a consequential relationship to who they are, or even, in a fundamental way, what they might become.

The Foundation advocated the creation of a "Carnegie Unit," based on 120 hours of community service, as one remedy for the disconnectedness of youth.

Similar interest in national service has been demonstrated by a wide range of organizations with an interest in the consequences of such community dysfunction—education and children's groups, labor and business, state and local government, organizations representing youth and older Americans, and civic and communtiy service groups. Recently, a series of special reports from diverse organizations have called attention to a wide variety of service programs across the country that could provide a foundation for a larger effort. On October 13, 1988, Youth Service America and the Campus Outreach Opportunity League surveyed 1,000 youth service programs in 50 states and documented their day's activities in a "Report on a Day in the Life of Youth Service." Several months later, the Children's Defense Fund released a report entitled "Service Opportunities for Youth," which listed service programs targeted at disadvantaged youth. The report called for national service proposals to work through the existing community service structure, to reach out to disadvantaged youth by removing barriers to service, and to ensure that programs involved careful supervision, training, and the opportunity for participants to reflect on their experiences. Most recently, the National Governors association released a resource guide for states intending to implement community service programs. The report identified over 100 program models in 30 states, and advocated a federal, state, and local partnership to expand full- and part-time service opportunities for citizens of all ages.

In response to these various findings and recommendations, the National and Community Service Act of 1989 provides for a wide range of full- and part-time service opportunities for Americans of all ages. It incorporates elements of fourteen proposals introduced in the Senate in the 101st Congress, allowing for a series of complementary approaches that will accommodate the needs of diverse communities, organizations, and individuals.

The legisiation provides funding for several new and innovative programs. Title IA, the Service-America Act, provides service op-

portunities, to students and out-of-school youth through programs run by schools and community-based agencies. Title II, the American Service and Conservation Corps Act, offers grants to states to expand or create youth service corps. To encourage innovative full- and part-time service programs and to test the value of offering education and housing benefits for service, Title III establishes a National Service Demonstration Program. All three programs will be rigorously evaluated to measure their benefits and costs. In each case, states and other grantees are encouraged to use existing organizations to administer the programs, to avoid duplicating existing services and creating new bureaucracy.

In addition, S. 1430 expands several existing volunteer service programs. Funding for the VISTA program is increased to restore the program to its peak level of the past. The Older American Volunteer Programs are expanded to involve senior citizens in the struggle against AIDS, teenage pregnancy, drug and alcohol abuse, and other national needs. The legislation increases the incentive for higher education institutions to use work study funds for community service placements, and allows VISTA, Peace Corps, and other full-time volunteers to reduce their student loan indebtedness. S. 1430 also expands the community service program administered by the Fund for Improvement of Postsecondary Education so that more college students will have opportunities to service their communities as a part of their studies.

Finally, the legislation encourages national leadership to advance the ideal of service. Through a program of Presidential Awards, outstanding individuals and programs will be recognized for their contributions. The legislation calls on the president to design a comprehensive federal strategy to involve every federal agency and employee in service projects. S. 1430 also establishes an independent Corporation for National Service, to foster innovation and increase the visibility of volunteer efforts.

BENEFITS TO THE COMMUNITY

By creating new programs, expanding existing efforts, and promoting national leadership in the area of national and community service, S. 1430 will generate over one billion hours of service. According to Richard Danzig and Peter Szanton, in their book "National Service," 3.5 million service opportunities exist nationwide, including 1,200,000 in the schools, 750,000 in health care and care for severely restricted elderly and disabled individuals, 165,000 in energy, environmental protection and urban/rural conservation, 820,000 in child care, and 250,000 in public safety. While a volunteer service program is no substitute for government programs targeted to meet specific needs, it is the Committee's strongly held view that enactment of national and community legislation will make a significant contribution toward meeting some of our nation's greatest challenges.

The National and Community Service Act strongly emphasizes the creation of meaningful opportunities for participants to provide services that would not otherwise be provided. Only in this way can we ensure that regular employees are not displaced. Similarly, it is critical that participants perform not "make-work" or "leaf-

raking" jobs, but activities that will provide real benefits to the community. This criterion ensures that both the community and the participant will benefit.

Programs authorized by S. 1430 leave great flexibility for states and localities to design programs best suited to their needs. Many types of placements offer the opportunity for volunteers to make a real contribution to the community that would not be possible through regular employment. For example, the Committee received testimony by Mr. Bobby Heard, a junior at the University of Texas, who works with other youth volunteers in a statewide drug prevention program. According to Heard, his peer program is effective because it uses young volunteers. He explained that "[t]he impact of a high school student on a classroom of elementary or junior high school kids is overwhelming * * * finally these young students have someone whom they can relate to, someone who is a real friend."

Other programs similarly lend themselves to volunteer projects. Mentoring and tutoring programs have great potential for using volunteers to help economically and educationally disadvantaged youth succeed in and out of the classroom. Reliable, caring volunteers can help elderly or disabled individuals live independently, saving thousands of dollars that would otherwise be necessary to institutionalize a healthy but dependent individual. Each year, thousands of illiterate Americans learn to read through the efforts of volunteers. An estimated 23 million more could benefit from literacy tutoring. Indeed, examples of the benefits derived from the spirit of service can be found in every state and community in our nation.

Short-term efforts addressing unmet needs of the community, such as renovation of abandoned buildings for the homeless, cleanups of unused parkland, or home repairs for the low-income elderly, are also appropriate volunteer service projects, particularly those involving a group of volunteers prepared to tackle a difficult job as a team. Such projects may be integrated into a larger program that allows participants to reflect on their service and understand it in the context of larger local and national needs. Because such projects would not otherwise be undertaken, the labors of volunteers yield clear benefits to the community.

BENEFITS TO PARTICIPANTS

The special focus of this legislation is on youth and young adults. Unlike service programs of the past, the National and Community Service Act of 1989 reaches down to elementary students and engages them in service as part of their school day or extracurricular hours. As part of a comprehensive strategy to involve all Americans in volunteer service, S. 1430 encourages students to develop "habits of the heart" when they are young. Upon learning the benefits of helping others, young people will volunteer their time throughout their lives. Numerous studies bear this theory out—

> A 1982 study compared eighty-seven participants on the summer Youth Conservation Corps (YCC) with a national sample of over two hundred of their peers. Less than one percent of the national sample reported participating in communi-

ty affairs or volunteer work almost every day, and only 54 percent reported participating at all. In comparison, 6 percent of the YCC alumni reported daily volunteer activities, and more than 80 percent participated at least occasionally.

Seventy-three percent of young people from low-income families enrolled in the Young Volunteers program funded by ACTION from 1981 to 1986 expected to continue to do volunteer work as adults. Ninety-one percent of the approximately 40,000 young adults surveyed said they would encourage others to do volunteer work.

In ar analysis of eight established school community service programs, researchers Newmann and Rutter observed that students involved in school service programs participate more frequently in non-school volunteer work, clubs, scouting, and religious groups than control groups.

Equally important are the benefits young people themselves gain from their involvement in community service—greater connection to the community, an easier transition from school to work, improved reliability, punctuality and perseverance, development of self-esteem and a sense of personal worth, and stronger basic skills and ability to work with others, and critical thinking. For example, evaluations of the Ontario Montclair California School district tutorial program in which seventh and eight grade students tutored low-achieving fourth through sixth graders three times a week, showed that both tutors and tutees made greater academic gains than control groups. A Public/Private Ventures study of the California Conservation Corps found that participation in the corps improved youths' attitudes and behaviors, and increased the future earnings of low-income youth who participated in the program. Research by K.P. Luchs at the University of Maryland found that after only thirty hours of community service work, high school students "displayed significantly more positive attitudes toward others, a greater sense of efficacy and self-esteem, and larger gains in career planning" than those who did not participate in community work.

These findings have been supported by numerous other studies. Most persuasive, however, are the words of young volunteers. When twelve-year-old Katy Evans joined her community service organization, she was the only one of her friends to do so. It didn't matter. "It gave me a great feeling about really helping someone who was in need of help," Ms. Evans told the Committee. Her schoolmates quickly changed their minds. "I kept talking to my friends about all the experiences it provided. When it came time to sign up again after the summer, all my friends signed up." Phil Braden, age 22, found his work with the Montgomery County Conservation Corps changed his life. When he joined the Corps, he was facing the future without a high school education. Now, he has both a diploma earned while in the program and a new view of himself. As he told the Committee, "the projects I completed were challenging, but when I complete a project, I feel good about myself * * * The Corps made me realize that I am somebody and that anybody can learn to do what they put their minds to."

Community service can also be a valuable tool in the regular school curriculum. A tracking of seventy-nine high school students

who participated in semester-long internships in New York county governments affirmed the benefits of a community-based approach rather than pure textbook theory for learning about how government works. Another report showed significantly greater gains in understanding nutrition for tenth graders who participated in a food coop than for those who spent the same amount of time studying nutrition in the classroom. With creativity, virtually any subject can include a community service component. The National Student Volunteer Program, created by the Office of Economic Opportunity in 1969, helped to pioneer the concept of service learning. While this program has been eliminated, experiential learning is now well-accepted by educators and volunteer advocates.

One of the most important aspects of this legislation is its potential for encouraging young people to become invested in the well-being of their communities. Many youth are eager to be "good citizens." But as focus group research conducted by People for the American Way indicates, young people often are unable to define what being a "good citizen" entails. "I don't break any laws," was one response. Clearly a carefully structured program of youth service could help young people define their role in the community. Working with the homeless changed the world view of Emily del Pino, a sixth grader in Springfield, Massachusetts. "[T]here are some times when even just to see the homeless people, * * * can sort of let you down about your city. * * * But I've never come to the point where I say * * * it's just so bad that I don't feel that I can help."

Finally, it is important to note that young people themselves indicate a willingness to participate in a national service program. The Youth Attitude Tracking Study conducted by the Department of Defense found that 55 percent of 16- to 18-year-olds would voluntarily participate in a program of national service. This data is supported by a Gallup poll released in September, 1989, that indicated a majority of teenagers favor national service for both young men and women. Of particular interest to the Committee is the poll's finding that ninety percent of these young people agreed that such a program could help their peers stay away from drugs.

The second focus of the legislation is older Americans. As our population ages, a larger and larger army of senior citizens is waiting to be asked to help America do a better job of meeting its basic needs. Older Americans have skills and knowledge that make them an important community resource. A study by the American Association of Retired Persons found that the most often-cited reason that older Americans do community service work is personal enjoyment. It is not surprising that research suggests that by helping others, older volunteers enjoy the benefits of living longer, healthier lives.

Ideally, many of the programs funded under this Act will be intergenerational—young people helping older neighbors, senior citizens lending their knowledge and caring to children in need, and volunteers of all ages working side by side toward a common goal. Although the Committee has focused heavily on youth and older American volunteers, we hope to close the age gap and encourage every American to give their time and caring to their communities.

That is the long-term goal of S. 1430, and we believe, a realistic one.

II. History of the Legislation

Americans hold in high regard the ideals of civic duty and public service. Thus, the idea of service to the nation has long endured as a means by which the United States can meet social, environmental, economic and military needs. The desire to strengthen our nation through a program of national service has been the subject of many legislative proposals over the years. Since the ninety-third Congress, over 60 bills have been introduced. These proposals include a wide variety of approaches and vary significantly in size and scope, with different eligibility requirements, conditions of service, types of assignments, and post-service benefits. Such proposals, however, have had limited success in winning Congressional support.

LEGISLATIVE PROPOSALS PRIOR TO THE 101ST CONGRESS

National service programs

Highlights of some of the many proposals introduced since the 93rd Congress illustrate the variety of approaches taken toward developing a strategy for national service.

In 1973, Senator Jacob Javits introduced S. 3789, the Economic Opportunity and Community Partnership Act, which was cosponsored by Senators Kennedy, Pell and Metzenbaum. This legislation would have established a Community Services and Community Economic Development Administration to fund local community partnership programs.

In the 96th Congress, several national service proposals were introduced to establish a commission to study national service opportunities. Senator Cranston introduced S. 1843, the Domestic Violence Prevention and Services Act of 1979, cosponsored by Senators Kennedy, Matsunaga, Durenberger, Moynihan, and others, which includes the National Service Commission Act. The proposal would have established a Presidential Commission on National Service to examine the need for and feasibility of a national service program to meet the broad range of human and societal needs. The legislation was reported out of the Labor Committee in 1980, but was indefinitely postponed by the Senate by a voice vote.

In 1981, Senator Tsongas introduced S. 1052, the Select Commission on Voluntary Service Opportunities Act of 1981, cosponsored by Senators Cranston, Pell and Levin, which would have established a Commission on Voluntary Service Opportunities to examine issues associated with voluntary service. While no action was taken on this bill in the Senate, a House companion bill, H.R. 2500, sponsored by Representative Panetta, was the subject of hearings held by the House Subcommittee on Select Education. The measure was reported out of the House Committee on Education and Labor (Report 97–939), but received no further consideration.

In March 1983, Senator Tsongas proposed an amendment to H.R. 1718, an Emergency Jobs Appropriations bill, which would establish the commission proposed in S. 1052. Although approved by the Senate, it was dropped in conference with the House. Later that

year, Senator Tsongas introduced S. 1896, cosponsored by Senators Pell, Cranston, Bradley and Levin, to establish a commission to study issues associated with voluntary service. No action was taken on the bill.

During the 99th Congress, Senator Hart introduced S. 536, the Select Commission on National Service Opportunities Act of 1985. This bill, cosponsored by Senators Mitchell, Pell, Bradley and others, created a commission to study the effectiveness of existing service opportunities; the impact of potential changes in incentives for service; the need for, desirability and cost of establishing a system of mandatory national service; and alternative ways to furnish educational assistance to participants of a national service program. The bill failed to receive approval by the Committee on Governmental Affairs.

Senator Pell introduced S. 762, the Voluntary National Service and Education Demonstration Program Act, in the 100th Congress. Cosponsored by Senators Matsunaga, Burdick and others, the bill would have created a system of grants to state educational agencies to provide education benefits to participants who serve full-time for two years. A second program within the bill would have authorized the Director of the Peace Corps to carry out a program offering educational benefits to individuals who, after completing two years of undergraduate education, commit to serving at least two years in the Peace Corps.

Youth Service Corps programs

During the 1970s, conservation-oriented youth programs, similar to the Civilian Conservation Corps of the 1930s, enjoyed renewed interest as a solution to the dual concerns of high youth unemployment and public lands conservation. In 1970, the Youth Conservation Corps was created and, in 1974, amended and made permanent by Public Law 93-408. The Corps was a popular summer, residential, conservation-oriented work and education program for 15-18 year olds. Although federal funding for the Corps was eliminated in 1981, it still exists in a few public lands where it receives contributions from the area National Fish and Wildlife Departments and National Parks services.

During the 95th Congress, youth conservation corps proposals were targetted to reduce problems related to youth unemployment. Senator Mathias introduced S. 1, the Employment Resources Act Youth Employment Program Young Adult Conservation Corps Act, which would have established a Youth Employment Agency within the Department of Labor to develop community service programs for low-income youth. The bill also took steps to expand the use of youth volunteers in VISTA in addition to a youth service crops.

Senator Hubert Humphrey introduced S. 170, the Youth Conservation Corps Act, cosponsored by Senators Moynihan, Inouye, Matsunaga and others, which would have established a National Conservation Corps to employ youth to carry out conservation projects on non-Federal public lands and waters.

While neither S. 1 nor S. 170 was enacted, these initiatives were consolidated into a successful effort in 1977 by Representative Augustus Hawkins. Public Law 95-93 established the Young Adult Conservation Corps for young unemployed citizens as part of the

Comprehensive Employment and Training Act of 1973. Year-round employment and job-skill training was provided. This program expired in 1981 and was not reauthorization.

Since that time, there have been multiple attempts in both the House and the Senate to establish an American Conservation Corps. Senators Moynihan and Glenn have each proposed conservation corps legislation during this period. In 1984, an act establishing an American Conservation Corps passed both houses but was pocket vetoed.

NATIONAL SERVICE: LEGISLATION IN THE 101ST CONGRESS

The concept of national service has attracted increased interest in the 101st Congress and by the Bush Administration. In the early months of the first session, over 20 bills related to this concept have been introduced in Congress. On March 9th, 14th and 20th and April 21st, 1989, hearings were held on 14 national service proposals. The testimony given and the letters received by Committee members indicated there is great support for implementing a program of national and community service.

These proposals vary widely in their approach to national service. Some would expand existing programs and others would establish nonprofit corporations to administer volunteer programs that would include a wide variety of civilian volunteer options and offer combinations of stipends, vouchers, and/or education benefits and job training.

The Committee on Labor and Human Resources carefully considered each of these proposals, and with bipartisan support produced S. 1430, The National and Community Service Act of 1989, a bill which combines aspects of each of the following proposals:

S. 3—Nunn—The Citizenship and National Service Act of 1989;

S. 232—Moynihan—The American Conservation Corps Act of 1989;

S. 322—Dodd—The Youth Service Corps Act of 1989;

S. 382—Graham—The Business and Citizen School Volunteers of America Act;

S. 408—Mikulski—The National Community Service Act of 1989;

S. 539—Bumpers—The Student Loan Deferment and Community Service Act of 1989;

S. 540—Bumpers—The Perkins Loan Forgiveness and Community Service Act of 1989;

S. 541—Bumpers—The Stafford Loan Forgiveness and Community Service Act of 1989;

S. 576—Pell—The Voluntary National Service and Demonstration Program Act;

S. 650—Kennedy—The Service to America Act of 1989;

S. 781—McCain—The National Service Act of 1989;

S. 689—Domenici—Kids Helping Kids Act of 1989;

S. 1464—Kennedy—The VISTA Expansion Act of 1989; and;

S. 1465—Kennedy—The National Older American Volunteer Programs Expansion Act of 1989.

Introduced on July 27, 1989, S. 1430 offers the widest range of opportunities for citizens to participate in programs of national service.

III. Hearings

MARCH 9, 1989

A hearing was held by the Senate Committee for Labor and Human Resources, entitled "National and Community Service Legislation", on March 9, 1989. The following individuals provided testimony:

The Honorable Dale Bumpers, Senator, State of Arkansas

The Honorable Daniel P. Moynihan, Senator, State of New York

The Honorable Bob Graham, Senator, State of Florida

Katy Evans, Student, Camp Hill Middle School, Camp Hill, PA

Catherine Powers, Student, Baltimore City College High School, Baltimore, MD

Alex Byrd, Student, Rice University, Houston, TX

Bobby Heard, Student, University of Texas, Austin, TX

Peter Waite, Director, Laubach Literary International, former VISTA volunteer, Syracuse, NY

Robert J. Rothstein, volunteer, Retired Senior Volunteer Program, Chevy Chase, MD

The Honorable John Buchanan, Chairman, People for the American Way, Washington, DC

Dr. Ernest Boyer, President, Carnegie Foundation for the Advancement of Teaching, Princeton, NJ

MARCH 14, 1989

The Senate Committee for Labor and Human Resources held a hearing entitled "National and Community Service Legislation—II", on March 14, 1989. The following individuals provided testimony:

Ms. Samantha Hoge-Williams, Student, Magic Me, Baltimore, MD

Mr. Frank J. Slobig, Co-Director, Youth Service America, Washington, DC

Mr. Phil Braden, Member, Montgomery County Conservation Corps, Rockville, MD

Ms. Margaret Rosenberry, Executive Director, National Association of Service and Conservation Corps, Washington, DC

Mr. James Sakamoto, Student, University of Southern California, Los Angeles, CA

Mr. Todd Clark, Education Director, Constitutional Rights Foundation, Los Angeles, CA

The Honorable Sam Nunn, Chairman, Senate Committee on Armed Services, Senator, State of Georgia

Dr. Gresham Riley, President, Colorado College, National Association of Independent Colleges and Universities, Colorado Springs, CO

Dr. James Whalen, President, Ithaca College, American Council on Education, Ithaca, NY

Ms. Judith Billings, Superintendent of Public Instruction, State of Washington, Council of Chief State School Officers, Olympia, WA

The Honorable Gillespie V. (Sonny) Montgomery, Chairman, House Committee on Veterans Affairs, Congressman, 3rd District, MS

MARCH 20, 1989

A hearing was held by the Senate Committee for Labor and Human Resources, entitled "National and Community Service Legislation—III", on March 20, 1989. The following individuals provided testimony:

The Honorable Richard Neal, Congressman, 2nd District, MA

Ms. Emily Delpino, Student, New North Community School, Springfield, MA

Dr. Johnnetta Cole, President, Spelman College, Atlanta, GA, on behalf of Campus Compact

City Year, Boston, MA: Mr. Alan Khazei, President, Mr. Jose Gonzalez, Student, Suffolk University, Mr. Ira Jackson, Director of External Affairs, Bank of Boston

The Thomas Jefferson Forum, Boston, MA: Paul Francisco, Student, Cathedral High School, accompanied by T. Jefferson Coolidge, President

John F. Kennedy Library Corps, Boston, MA: Charles Parekh, Student

McCormick Middle School, Dorchester, Marian Manning, Senior Citizen, Resident of Dorchester, Retired School Teacher, accompanied by Margaret Leipsitz, Program Director

Youth Outreach Weekends: Omayra Marrero, Student, Wellesley High School, Wellesley, MA, accompanied by Todd Fry, Program Coordinator

APRIL 21, 1989

A hearing was held by the Senate Committee for Labor and Human Resources, entitled "National and Community Service Legislation", S. 3, S. 232, S. 322, S. 382, S. 408, S. 539, S. 540, S. 541, S. 576, S. 650, on April 21, 1989. The following individuals provided testimony:

The Honorable James D. Watkins, Secretary of Energy, Washington, DC

Mr. John A. Briscoe, Director, PennSERVE: The Governor's Office of Citizen Service, Commonwealth of PA

Ms. Cynthia Brown, Student, Martin Luther King High School, Member, Leadership in Community Service Program, Philadelphia, PA

Ms. Cynthia Parsons, Director, SerVermont, Chester, Vermont

Jacqueline Loso, Student, South Burlington High School, Member, SerVermont, South Burlington, VT

Leon Horne, Member, Executive Committee, National Education Association, Parental Involvement Coordinator, Tacoma Public Schools, Tacoma, WA

Greg Humphrey, Director of Legislation, American Federation of Teachers, Washington, DC

Mr. Stanley Hill, International Vice President, AFSCME, Executive Director, AFSCME District Council 37, New York, NY

Mr. James Oglesby, President, National School Boards Association, Professor, University of Missouri, Columbia, MO

Mr. Donald Gainey, Board Member, National Association of Secondary School Principals, Principal, West Warwick High School, West Warwick, RI

IV. Committee Views

S. 1430, the National and Community Service Act of 1989, establishes three new grant programs and expands several existing federal programs to increase service opportunities for Americans of all ages, and especially for youth and senior citizens.

TITLE I—SCHOOL-BASED COMMUNITY SERVICE

Part A—Service-America

While programs in title I of this Act are referred to as "school-based" community service, it is the Committee's strong intention that programs involve "school-aged" youth, including both students and school dropouts. Similarly, the Committee intends that community agencies as well as schools receive grants to operate programs under this part.

Section 103(16) defines "service opportunity" as a program or project enabling students or out-of-school youth to perform meaningful and constructive service in agencies, institutions, and situations where the application of young people's talent and dedication may help to meet educational, and environmental community needs, especially those relating to poverty. The Committee stresses the importance of ensuring that service opportunities be visibly productive and clearly related to community needs and that participants find their service experience satisfying, enriching, and nonexploitative. Such opportunities should not duplicate existing services and must not displace paid employees, but should supply a service that would not otherwise be provided and that benefits the community.

Section 104 specifies that 85 percent of funds appropriated for the Serve-America program shall be distributed to states through a discretionary grant process or, if appropriations exceed $50 million, through the Chapter I basic grant formula. The Committee intends that states receive sufficient funds to establish or expand programs effiectively. If a state does not apply, an education institution, local government agency, community-based agency or consortia thereof may apply directly to the Department of Education for funding. The Committee prefers that the majority of programs be administered through states, rather than directly at the local level, as this facilitates sharing of resources, coordination of programs, and integration with state educational policy. The Committee is aware of

several excellent state-sponsored student community service programs, including the Maryland Student Service Alliance, which implements a state bylaw that community service should be offered in every high school for elective credit, and SerVermont, which provides opportunities for school children to do voluntary community service that is integrated with academic coursework.

Section 104(b) provides that 15 percent of funds appropriated for the Serve-America program shall be used for program support, evaluation, training, technical assistance, grants to national and regional clearinghouses on service, funding of model youth service programs, and development of innovative curriculum materials.

Section 105 specifies the content of the state application. The Committee expects states to design and describe a coordinated program that encourages cooperative efforts among education institutions, local government agencies, community-based agencies, businesses, and state agencies. This state plan shall also describe how economically and educationally disadvantaged youth, including individuals with handicapping conditions, school dropouts, and high school graduates who have not gone on to college, will be assured service opportunities. The state application shall also indicate how information about the program will be disseminated to ensure the participation of a broad range of organizations. The Committee notes that state education departments may be unnaccustomed to dealing with community-based organizations. The Committee intends that Serve-America grantees include both education institutions and community agencies, and that the state education departments engage in substantial outreach to community-based organizations.

Local applicants may apply to establish or expand a student community service program, through which students or out-of-school youth are provided service opportunities, or a school volunteer and partnership program, through which members of the community volunteer in schools.

Under section 106(b)(1)(A), student community service programs must include an age-appropriate learning component for participants to reflect on their service experiences. The Committee is aware of several successful school-based programs that have incorporated service-learning into the academic program. In Waseca High School, in Waseca, Minnesota, for example, the Youth Service Leadership Class involves students in the design of their own curriculum for the class. In Springfield, Massachusetts, every elementary school class performs community service in conjunction with its academic program.

While the Committee encourages schools to integrate service opportunities into the academic curriculum and to award academic credit for service expeerience, the Committee is aware that this is a local decision and recognizes that the learning component requirement may also be met outside the regular academic program.

While the Committee encourages schools to integrate service opportunities into the academic curriculum and to award academic credit for service experience, the Committee is aware that this is a local decision and recognizes that the learning component requirement may also be met outside the regular academic program.

Under section 106(b)(1) (B) and (C), student community service programs must provide both preservice and inservice training for both supervisors and participants involving representatives of the community where service opportunities will be provided and must encourage participants to make a sustained commitment to the service project. The Committee does not have a view about the precise number of hours of training and service that must be provided to meet these requirements, but expects that the length of time should vary with the age of the participant. A sustained commitment could involve a portion of the school day, an afterschool period or evening one or more days a week, several weekends, or several weeks during the summer. The Committee encourages high school programs to consider the recommendations of the Carnegie Foundation for the Advancement of Teaching in "Student Service, the New Carnegie Unit," as an example of how programs can be structured.

In the case of student community service programs, states shall give priority to programs that involve participants in the design and operation of the program, demonstrate need for assistance, involve a diverse group of participants working together, or, in the case of a program administered by an education institution, are integrated into the academic program. To receive priority, programs need not meet all of the above criteria.

The Committee is aware of the benefits of student community service programs for at-risk students. We have refrained from limiting these programs to those involving only at-risk students as volunteers because it is the Committee's strong belief that all Americans, not just those with limited incomes, should develop the ethic of service. Nonetheless, the experience of the Oases program in the Pittsburgh Public Middle Schools, which targets students who have not responded well to traditional education programs, the Learning Through Service program operated by Community Educational Services in San Francisco, which enrolls a high percentage of minority and limited English proficiency students, and the Valued Youth Partnerships in San Antonio, Texas, which recruits and trains at-risk students to tutor younger children, suggest that student community service programs are an effective means to reach educationally and economically disadvantaged students.

In the case of school volunteer and partnership programs, states shall award grants only to programs that provide opportunities for school volunteers to work with at-risk students to be economically or educationally disadvantaged students, including individuals with handicapping conditions. Programs must also provide preservice and inservice training for supervisors and school volunteers.

In the case of school volunteer and partnership programs, section 106(c)(2) requires states to give priority to programs involving older Americans as school volunteers, involving a partnership between a school and a business (or business organization), or which include a focus on drug and alcohol abuse prevention, drop-out prevention, or nutrition and health education. The Committee intends that programs may qualify under the "drug and alcohol abuse prevention" priority even if such activities are not their sole focus.

The Committee is particularly interested in intergenerational programs involving the pairing of senior citizens with at-risk

youth. A report entitled *Partners in Growth,* by Public/Private Ventures (fall 1988), provides strong evidence that such programs benefit both youth and the elder mentor and are an effective and inexpensive way to improve the life chances of troubled young people.

Under section 106(a), local applications must be submitted on behalf of a partnership consisting of one or more educational institutions and one or more local governments or community-based agencies. This requirement reflects the Committee's view that successful programs involve the support of both the school and the community. If the program delivers services solely within an educational institution, this requirement is waived. In all cases, however, the local application must contain a written agreement between the organization or institution from which volunteers are recruited and representatives of the community or institution where services will be provided stating that the program was jointly developed and will be jointly executed by the parties.

The Committee is aware of many model student community service programs in which a school initiates the program, and of others in which community agencies take the lead. For example, the Challenger Middle School of Colorado Springs, Colorado, operates a program through which "academic teams" adopt a community agency or project each school year. Alternatively, the Thomas Jefferson Forum helps faculty coordinators at 23 Boston-area high schools recruit, place, and administer student volunteers at human services agencies. The Committee intends for both types of programs be funded under the Serve-America program and expresses no preference between applications from community agencies or schools.

To ensure that programs meet the needs of students and the community, local applicants are required to organize an advisory committee consisting of representatives of community agencies, service recipients, youth-serving agencies, students, parents, teachers, administrators, school board members, labor, business, and others as appropriate.

To encourage students participating in Serve-America programs to continue their commitment to national and community service, local applicants are required to provide participants with information on VISTA, the Peace Corps, the Montgomery G.I. bill, and other service programs, including those funded under this Act.

Section 106(a) also requires local applicants to supply information regarding program goals and demographic information about participants for purposes of program evaluation, and other information relevant to compliance with subsections 106 (b) and (c).

Under Section 102(b), grants to states may be for a period of up to three years. The Committee intends for payments to be made to states at the beginning of each fiscal year for which the state has received a grant, subject to availability of appropriated funds.

Section 107(a)(1) requires that federal funds not be used to pay more than 75 percent of the cost of the state program. Section 107(a)(2) provides for a local applicant to assume an increasing share of the cost of the local program, beginning at 20 percent in the first year it receives a grant, and increasing ten percent a year to 50 percent in the fourth and subsequent years. This local match requirement applies whether the local program receives funds from

the state or the federal level. The Committee intends for grants to local programs to provide start-up funds, and expects programs to become self-sufficient after the term of the grant expires.

The Committee hopes to encourage private businesses in the community to sponsor local programs. To create an incentive for financial or in-kind support of community service programs by business, the legislation provides for the required local share of program costs to decrease by five percent if funds are provided by a private, for-profit companies.

Section 108 specifies uses of funds for states and local applications. States may use up to 20 percent of funds for administration, including training, technical assistance, curriculum development, and coordination activities. The Committee intends for states to make grants or contracts with public or private nonprofit organizations to provide training, technical assistance, and curriculum development, as necessary.

Section 108(a)(2) authorizes states to use up to 10 percent of funds for school volunteer and partnership programs. School volunteer programs utilize members of the community in support of school objectives as tutors, mentors, guest lecturers, teaching assistants, etc. An education partnershp is a cooperative program between a school and a business, college or university, government agency, or community organization. These programs may use employees as volunteers in schools, but many also provide such services as funding college scholarships, providing equipment, making laboratories and other facilities available, or giving part-time employment and career guidance to students. The Committee believes this approach could be particularly effective in the teaching of math, science, and technology.

Section 108(c) prohibits the use of Serve-America funds to pay stipends to participants. Funds may be used to reimburse participants for transportation, meals, and other reasonable out-of-pocket expenses incurred while participating in a program. The Committee does not intend to prohibit programs from paying stipends to participants from funds raised from other sources.

Section 109(a) authorizes the Secretary of Education, in consultation with the National Service Board, to fund one or more national or regional clearinghouses on service. The Committee expects the Secretary to allocate approximately $5 million for this purpose. Only public and private nonprofit agencies with extensive experience in student community service or school volunteer and partnership programs are eligible to receive funding as a clearinghouse. It is the Committee's intention that clearinghouses assist programs that are not funded under this Act, as well as federal grantees. Clearinghouses may include one or more centers that specialize in specific program models.

The Committee suggests that a national clearinghouse be funded to provide training and technical assistance to school volunteer and partnership programs. This clearinghouse should provide technical assistance and training for school volunteer and partnershp programs, conduct surveys of such programs, and other appropriate functions.

The Committee also recommends the funding of national clearinghouses for student community service at the elementary and secondary school levels. In order to maximize the potential for success of school-based youth community service, such clearinghouses should be managed by public or not-for-profit agencies that have extensive experience in coordinating federal programs and developing and implementing school-based community service programs that generate community volunteerism and support. The Committee recommends that preference be given to organizations that have experience in delivering programs in urban settings involving significant numbers of disadvantaged youth.

Although student community service programs for postsecondary students are generally ineligible for funding under this part, (except under sections 108(a)(2) and 109), the Committee urges the Department to fund one or more clearinghouses to serve postsecondary service learning programs. The Committee is aware of two excellent organizations with extensive experience in implementing campus-based community service programs—the Campus Compact and Campus Outreach Opportunity League. The Committee believes that organizations of this sort are well suited to peform the clearinghouse function.

The Committee urges that regional clearinghouses be established to provide training and technical assistance to state agencies administering Serve-America programs, and to relieve the burden on states of providing such assistance to local programs funded under this Part.

Section 109(b) authorizes the Secretary of Education, in consultation with the National Service Board, to fund national model youth service programs. The Committee has heard significant testimony about successful student community service programs in Springfield, Massachusetts, and Los Angeles, California. These programs, specifically the Community Service Program of the Springfield Schools and the Youth Community Service Program of the Los Angeles Unified School District, show great promise as models for national dissemination. The Committee is also impressed with the work of the Washington Leadership Institute, which sponsors several programs that enable a diverse group of young people to develop personal leadership skills while they serve their communities through projects of their own design. Project ACTION in Valparaiso, Indiana, also offers an excellent model for integrating service throughout the high school curriculum. Such programs with a demonstrated record of success and community support are the type that should be funded and developed as national model youth service programs and made available in other settings.

Section 109(c) authorizes the Secretary of Education to make grants for the development of innovative curriculum materials for use in student community service and school volunteer partnership programs. The Committee recognizes that innovative curriculum materials have been developed for student community service programs by the National Crime Prevention Council, the College for Human Services and others, and for school volunteer and partnership programs by the National Association of Partners in Educa-

tion, the Home and School Institute, Inc., and others. We urge that the Secretary consider organizations with experience in curriculum development of this type in awarding grants under this subsection.

Section 110 requires the Secretary to arrange for evaluation of Serve-America programs. The Committee urges that this evaluation measure the effectiveness of different program models in achieving the following objectives: encouraging a heightened understanding of the responsibilities of citizenship; encouraging continued involvement in community service by participants after they have completed the program; improving school achievement and completion; building participants' self-esteem and ability to work with others; and providing the community with additional resources to meet environmental, educational, and human needs.

Part B—Innovative projects for community service

This part expands the Innovative Projects for Community Services and Student Financial Independence administered by the Fund for the Improvement of Postsecondary Education at the Department of Education. The purpose is broadened to support innovative projects to determine the feasibility of encouraging student participation in community service activities before, during, or after the completion of such student's higher education. Institutions of higher education, and other public agencies and nonprofit organizations working in partnership with institutions of higher education are eligible to receive grants under this part.

Programs funded under this part should serve one or more of the following purposes: engendering a sense of social responsibility and commitment to the community; creating opportunities for students to reduce student loan indebtedness in exchange for community service; encouraging student-initiated and student-designed community service projects; or encouraging the integration of community service opportunities into academic curricula.

The Secretary should apply the principles established in part A of this title to programs funded under this part. In particular, the Committee intends for all funded programs to include preservice and inservice training for both students and supervisors, a learning component through which participants reflect on their service experiences, and the opportunity for participants to make a sustained commitment to their service projects. Participants in part B programs should receive information on VISTA, the Peace Corps, full-time Youth Service Corps and National Service Demonstration programs funded under this Act, and other service options and their benefits, such as student loan deferment and forgiveness, as appropriate. The Secretary shall ensure that funded applications provide assurances that programs will comply with these requirements.

In addition, the Secretary should give priority to programs that involve students in the design of the service project; provide opportunities for volunteers of different ages, races, sexes, ethnic groups, economic backgrounds, and abilities to serve together; demonstrate greatest need for funds; or, if the applicant is an institution of higher education, integrate service opportunities into the academic program. Applicants under this part shall demonstrate evidence of

community support for the program, such as an advisory group composed of representatives of the higher education institution and the community to be served, a written agreement with a community-based agency stating that the program was jointly planned and will be jointly executed, or local financial support. Applicants under this part shall also describe a method by which they will ensure that paid workers will not be displaced as a result of the program.

Part C—State studen. incentive grant and work study programs

As part of the Higher Education Amendments of 1986, Congress permitted states to use a portion of their State Student Incentive Grant (SSIG) funds to conduct community service work learning programs. The state of Washington has launched such an initiative by developing four major community service programs. These include support for adult literacy efforts, early outreach to families with young children concerning opportunities for federal financial assistance for college, academic assistance to underprepared and economically disadvantaged youth, and mentoring programs for at-risk teenagers.

The Committee is impressed with the scope of this program and would like to encourage other states to develop similar programs. To accomplish this, and to encourage increased funding for SSIG, Title I, Part C of this Act requires 50 percent of all appropriated monies above $75 million for SSIG be divided proportionately among those states implementing this community service option. Such additional money would be used only for the expansion of community service programs.

A provision was also added in the 1986 Higher Education Reauthorization to encouarge use of College Work Study (CWS) funds for community service work off-campus. Under revisions to the Act, campuses are permitted to place their college work study students in community service-learning programs with private nonprofit organizations. In such programs the federal share of the CWS funds is 90 percent for up to 10 percent of the school's total CWS allocation. (In accordance with the 1986 reauthorization, the federal share of traditional CWS programs falls to 70 percent for academic year 1990–1991.)

The Committee would like to see an expansion of these community service-learning programs under CWS. In order to encourage schools to take such initiatives, this bill would raise the federal share of community service-learning programs to 100% and decrease the federal share for campus-based CWS jobs to 60%.

Also, the Committee recognizes the substantial number of students who are currently participating in rewarding community service projects through the Job Location and Development (JLD) program at postsecondary institutions eligible for College Work-Study. The JLD Program offers assistance to all students without regard to financial need to locate off-campus employment. Since 1986, special emphasis has been placed upon JLD positions in the areas of community service and it is the Committee's hope that this effort will increase in the future. It is certain that campuses

participating in this title of the National Service Bill that already have JLD community service programs on campus will find the JLD experience a valuable resource in administering any new national service initiatives.

Finally, the Committee is concerned that financial aid administrators have the necessary training to properly conduct community service programs. While the Committee is aware of the extensive training financial aid administrators receive in the management of traditional student aid programs, less training is available to assist officers in establishing successful networks of meaningful community service work and in properly matching participants to meaningful service. This complex assignment calls for the establishment of an appropriate and comprehensive training program. It is the Committee's intent that the Department make sure such a training program is available to all financial aid officers who work in the area of community service.

Part D—Publication

Sections 141–144 requires the Department of Education to increase substantially the notice it provides to student borrowers regarding the availability of loan deferments and loan cancellation for service as a Peace Corps or VISTA Volunteer or for comparable full-time service with a tax-exempt community service organization.

The Department is required to provide detailed notice of the terms and means of claiming the deferment and loan cancellation to individual student borrowers both at the time when student borrowers obtain the loans and when they complete their education during their exit interviews. The Department shall ensure that federal and university personnel involved with the student loan programs are able to answer questions that student borrowers may have about how to qualify for and claim the deferment and partial cancellation incentives. Finally, the Department shall ensure that the forms for claiming the deferment and partial cancellation incentives are widely available to any student borrower.

In addition to providing information to individual student borrowers, the Department is required to take steps to disseminate information regarding the loan deferment and cancellation incentives generally to all student borrowers and to the tax-exempt organizations which might employ students performing comparable service. It shall encourage government officials, universities, student leaders, high school and college career counselors, tax-exempt community service organizations and others to promote service by student borrowers which qualifies for the loan deferment and cancellation incentives and to set up special service programs specifically for student borrowers who qualify for the loan deferment and cancellation incentives. The purpose of the deferment and partial cancellation incentives is to extend the Peace Corps and VISTA models of service into the private sector and the Department shall take every available opportunity to further this purpose.

The Department is specifically required to revise all of its publications, including the Student Guide and all technical notices to program participants and administrators, and its regulations implementing the deferment and loan cancellation incentives to indi-

cate explicitly that student borrowers who perform comparable full-time service with tax-exempt community service organizations may serve as "paid employees" of these organizations. In informing student borrowers and others that they may serve as "paid employees' of a tax-exempt organization, the Department may indicate that the Federal minimum wage is the maximum compensation that these student borrowers may receive. In no case shall the Department indicate, directly or indirectly, that the student borrower must serve as "volunteer" with these tax-exempt organizations as this may lead potential volunteers to believe that they must serve as "unpaid" volunteers rather than paid employees.

The Department shall also clearly indicate in all of its publications, notices and regulations that the student borrower who serves full-time with a tax-exempt community service organization may receive fringe benefits, including travel and other allowances, medical and other insurance, special housing arrangements, and other appropriate benefits, in addition to their basic compensation or allowance and that, if they serve full-time with the tax-exempt organization, they may receive other compensation, living allowances or benefits from other employers for part-time employment.

The Department is required to begin collecting data on the utilization of the deferment and loan cancellation incentives. It shall collect data that indicates how many student borrowers are claiming the deferment and cancellation incentives, how many of them are Peace Corps or VISTA Volunteers and how many of them are claiming them for comparable full-time service with a tax-exempt organization.

The Department shall interpret the requirement for employment with a "tax-exempt organization" to include student borrowers who serve with a wide variety of tax-exempt organizations, including tax-exempt organizations organized for charitable, scientific, testing for public safety, literary or educational purposes or for the prevention of cruelty to children or animals. In short, the deferment and loan cancellation incentives shall be made available to student borrowers who perform full-time service with any tax-exempt organization that provides services to the community in accordance with the restrictions set forth in section 409 of this bill. It also shall be made available for employment with any tax-exempt U.S. organizations that manage service programs outside the United States and it applies to student borrowers who serve in these programs overseas.

Part E—Direct loans to students in institutions of higher education

Sections 151 and 152 simply extend the current Perkins loan cancellation provisions, which apply to Peace Corps and VISTA Volunteers, to student borrowers who perform comparable full-time service with a tax-exempt community service organization of demonstrated effectiveness.

The terms of the Perkins loan cancellation for student borrowers who perform comparable service are the same as already apply to Peace Corps and VISTA Volunteers. The purpose of this provision is to ensure that there is an equal incentive for student borrowers to perform services with private-sector community service organizations as with government-sponsored community service programs.

In limiting loan forgiveness to employment with a tax-exempt organization "of demonstrated effectiveness," the Committee intends to discourage the proliferation of organizations created primarily for the purpose of enabling students to take advantage of the provisions in parts E and F of this Act.

The partial Perkins loan cancellation is available to loans that have been taken out by first-time Perkins loan borrowers to cover the costs of instruction for periods of enrollment beginning on or after 30 days after the date of enactment of this part.

Part F—Loan forgiveness

Sections 161 and 162 provide for partial cancellation of Stafford loans to Peace Corps and VISTA Volunteers and to those who perform comparable full-time service with tax-exempt community service organizations of demonstrated effectiveness.

The partial Stafford loan cancellation is available to loans that have been taken out by first-time Stafford loan borrowers to cover the costs of instruction for periods of enrollment beginning on or after 30 days after the date of enactment of this part.

TITLE II—YOUTH SERVICE CORPS

Section 203 authorizes the National Service Board, established in Title IV of this bill, to provide grants to State or local applicants to create or expand full-time or summer youth service corps programs. Such programs, as defined in section 202, offer full-time, productive work with visible community benefits in a natural resource or human service setting and give participants a mix or work experience, basic and life skills, education, training, and support services. Youth service corps programs include both conservation corps and human services corps programs. Conservation Corps have their roots in the Civilian Conservation Corps of the 1930s and involve primarily environmental and conservation work. Human service corps programs accomplish needed human services; examples include the New York City Volunteer Corps, City Year in Boston, and the Washington Service Corps in Washington state. The Committee intends for the authorized types of projects specified in section 206 to be interpreted broadly, as long as the projects take place on public or Indian lands or provide a public benefit, and do not violate the restrictions noted in section 206(b).

Any program application proposing the use of public or Indian lands shall be reviewed by the Department of Interior and shall be consistent with existing laws and administration governing such lands. The Committee does not intend to interfere with current law or administration governing public or Indian lands and consequently intends the Board to include the Secretary of the Interior in the process of determining what projects are appropriate for conservation corps programs.

The Board is authorized to make grants for periods of up to three years. However, the Committee intends for payments to be made to states at the beginning of each fiscal year for which the state has received a grant, subject to the availability of appropriated funds. Grants may be renewed for an additional period of up to three years.

States may apply to the Board for a grant to establish or expand a state-run youth service corps program, to distribute grants to local applicants within the state, or a combination of the two. If the state intends to administer a youth service corps program directly, it shall include in its application a detailed description of the program, including its goals, type of work to be carried out, training and work experience to be provided, an estimate of the number of participants and crew leaders, a plan for recruiting such individuals, services, supplies and equipment to be provided to participants, and other information required in section 205(c). If the state intends to conduct a grant program, the application shall describe how local applications will be educationally disadvantaged youth (including youth who have recently left foster care and youth with handicapping conditions) will be recruited, skills will be certified, programs will be evaluated, cooperation will be encouraged between program agencies and JTPA job training coordinating councils, and the state will ensure that program agencies will consult with appropriate local labor organizations regarding placements of participants.

If a state elects not to apply for assistance under this title, the Board may make a grant directly to a local applicant within that state. Local applicants are defined as public or private non-profit agencies, including the governing body of an Indian tribe. Grants may be used to establish new programs or expand existing programs. The Committee intends for the Board to give equal consideration to applications requesting funds to establish new programs and those requesting funds to expand existing programs.

In reviewing applications from state or local applicants, the Board should give priority for funding to programs that will provide long-term benefits to the public by addressing unmet environmental or human needs, promote the work ethic and the value of public service, enhance the education and skill levels of the participants, be initiated promptly, and are labor intensive with youth working in crews or teams.

Program agencies—including state agencies, the governing body of an Indian tribe, or a public or private non-profit organization receiving funds under this title—may not use more than 10 percent of program funds to purchase capital equipment. Not more than 15 percent of such funds may be used for administrative expenses, and not more than 10 percent of funds may be used for summer programs. The Committee does not intend for the restriction on use of funds for summer programs to prevent local applicants or states from conducting individual programs that operate only in the summer as long as not more than 10 percent of the total funds received by the state under this title are used for such programs. Similarly, the Committee intends for not more than 10 percent of funds used by the Board for grants directly to local applicants to be awarded to local applicants who wish to conduct summer-only programs.

The Board may reserve up to five percent of funds appropriated for this title for Federal disaster relief programs. An example of such an effort is the Department of Interior's arrangement with the Student Conservation Association to coordinate a volunteer effort to restore Yellowstone park facilities and forest destroyed in

the summer of 1988. Youth service corps are also assisting Charleston, South Carolina, in recovering from Hurricane Hugo, and San Francisco, California, in responding of the city's needs after the recent earthquake.

Section 207 authorities related programs administered by the Department of Health and Human Services to use services provided for in this title. The Committee intends the Board to work with departments administering programs similar to those outlined in this title to avoid unnecessary duplication of services.

Section 209 specifies the in-service and post-service education and training services that will be made available to participants. Program agencies receiving funds under this title will asses the educational levels of participants at the start of the program and will provide appropriate in-service education and training. Program agencies are required to spend at least ten percent of funds to provide skill enhancement, education and training opportunities, and career counseling to participants. The Committee intends that the greatest priority for these services be given to program participants who have not gradutaed from high school, and then to those in need of skills necessary for employment. However, education and training opportunities should be made available to all participants. The Committee strongly encourages program agencies to develop arrangements with local or state academic institutions and federal or state job training programs in carrying out the requirements of section 209.

Section 210 lists criteria by which the Board shall determine the amount of the grant award given to a state or local applicant. The Committee intends that any state or local applicant will make a special effort to include unemployed youth in their corps program to give such youth an opportunity to serve their community and nation, develop a work ethic and job skills, further their education, and work with youth from other economic backgrounds. The Committee expects for program agencies to make a special effort to encourage unemployed youth to serve, but intends the program to be attractive to youth from a wide variety of backgrounds. In addition to the number of youth who will participate in the program, the Board should consider the cost of carrying out the proposed project or service in determining the grant award.

Section 211 states that the federal grant award shall not exceed 75 percent of the cost of operating a state or local Youth Service Corps Program. The State or local program shall be responsible for 25 percent of all program costs. The Committee has set this match to guarantee a commitment by the state or local applicant to the program they wish to establish.

Section 213 prevents the earnings that economically disadvantaged program participants receive under this title from interfering with the eligibility of the participant or her family for other federal assistance programs. The Committee intends that any benefits of this program shall supplement and not supplant those of other federal programs.

Section 214 specifies the age and education criteria for enrollment in a conservation or youth service corps program. The Committee has determined that the youth who would most benefit from full-time service are at least 16 years of age and not older than 25;

participants in summer programs will range from 15 to 21 years of age. The Committee intends for high school dropouts to be eligible for a corps program; however, such participants would be required to participate in the program outlined in Section 209 and work towards acquiring a GED.

Section 215 requires that each participant recieves post-service education and training benefits, such as scholarships or grants, worth not less than $50 per week nor more than $100 per week that the participant served in the program. The Committee intends that participants serving in the same program, in the same year, for the same period of time, receive equitable post-service benefits.

The Committee intends each Corps program to provide health insurance and a living allowance of not less than 100 percent of the poverty line for a single individual and not more than 100 percent of the minimum wage for a 40-hour workweek. The living allowance should reflect the cost of living, including transportation, food, housing, and utilities, in the area in which the program operates. If room and board are provided to a participant, the program agency may deduct a reasonable fee for room and board from the living allowance. The Committee intends for program agencies to provide guidance regarding opportunities for employment, education, and service opportunities to participants to assist them upon leaving the program.

Section 217 permits the Board to develop joint projects involving the Department of Labor. The Committee intends the Board to work with the Department of Labor to avoid duplicative services and to optimize the job training opportunities available to program participants.

Section 218 specifies that a program participant or crew leader shall not be considered a federal employee except for purposes of work-related injury, tort claims procedures and allowance for quarters which are outlined in this section.

TITLE III—NATIONAL SERVICE DEMONSTRATION PROGRAM

The Committee intends to provide the maximum possible flexibility for the Board to negotiate agreements with states for creation of national service demonstration programs. These agreements, and the grants subsequently awarded, may be for multiple fiscal years within the limitation set out in section 303(b), though actual release of funds may be limited to specific fiscal years.

Under section 303(d), the Board is encouraged to select demonstration program states in a manner that tests full- and part-time national service in sites which together supply a diversity of geographic and demographic characteristics, along with a diversity of community service needs.

It is the Committee's intention to require the Board to make every effort to satisfy the minimum number of participating states specified in section 303(g)(1) for each fiscal year. However, it is understood that satisfaction of this condition will depend on the submission of the requisite number of quality applications by states.

It is the Committee's belief that *at least* 25 percent of the demonstration programs created under Title III should include full-time, part-time and special senior service participants. States are encour-

aged to offer all of these service programs to its citizens; however, the Board is authorized to allow states to offer only full-time or part-time service and, in fact, may want to fund such limited programs to better test the models. For the purposes of section 303(f), it is the Committee's belief that states applying for full-time service grants should be given preference if they include special senior service participants in the program.

In the final two years of the demonstration program, the Board will necessarily make more part-time than full-time grants to states as stated in Section 303(g). Nevertheless, the Committee believes that varied service programs at one site will allow the Board to better compare and assess the benefits of full- and part-time service to the community and to the volunteer.

The Committee does not intend to create any presumption that full- or part-time national service demonstration programs should be operated on a statewide basis. Instead, the Board should encourage states to determine, in fulfilling the requirements of Section 303(h) (8)–(10) relating to the number, recruitment and placement of participants, the most appropriate demonstration site for the program. This site may be statewide, a substate region or regions, or even a non-contiguous combination of substate regions, so long as the site selection and resulting administrative arrangements promotes effective establishment and execution of a demonstration program. The state may also choose to work with a non-profit agency with a network that extends beyond state boundaries and also to those with national networks.

The State budget required in section 303(h)(11) should include both a budget for use of federal funds and a budget for use of state funds, especially state administration of the demonstration program. The Committee understands that state budgeting and appropriations timetables vary tremendously, and does not intend that the Board discriminate in selecting demonstration programs based on these varying state procedures. Thus, states should be allowed to submit applications including a budget for state funds that will be secured by a subsequent state appropriation, along with such assurances that the appropriation can be made (such as a resolution of support from the state legislature) as deemed suitable by the Board.

The national service program will enhance, support, and build on the vast and effective network of service organizations already in place in American communities. Relying on existing structures, resources, and experience is absolutely essential in the pursuit of economy and efficiency. It is equally essential to maintaining the self-starting spirit, the pluralism, and the adaptation to local conditions that have always been the basis for creative response to community needs by local government.

Building on existing structures has a number of implications for the administration of a national service program. First of all, the emphasis of the program must remain on the timely and effective delivery of needed services first, and on the development of volunteers second. This means that agencies must be permitted to maintain high standards and to apply their personnel policies to the volunteer cadre. It also means that local government and non-profit agencies participating in a national service program should not be

unnecessarily encumbered by restrictions or directives so as to detract from their previous capacity to serve the community.

For these reasons, the Committee directs the Board to consider the extent to which the state plan for demonstrating full- and part-time national service builds on existing programs in awarding grants under this title. It is the Committee's expectation that states will utilize the existing network of social service, educational, public safety and environmental programs within the state to recruit, place and train national service volunteers, rather than duplicating on-going service delivery systems.

The national service legislation rests on the belief that optimum community service delivery requires the joint efforts of the public, non-profit, and corporate sectors and that volunteerism thrives in the climate created by such joint efforts. The Board and state advisory boards will through their membership and their work embody the joint commitment of all three sectors to community betterment and community service.

It is the intent of the Committee in section 303(h)(1) to require state plans to specify how public and private agencies will interact to meet unmet social needs. The Committee seeks to encourage plans in which: public and private programs expand, but do not duplicate, already existing public programs; and/or new programs are created by the public and/or the private sector. The Committee intends that the Board should give preference to state plans that give priority to the agency's or organization's programs of proven effectiveness in delivering community services and shall give appropriate consideration to the degree to which the agency or organization is community-based.

Section 304 specifies the types of serivice that may be made available to participants. The Committee intends for the list to be interpreted broadly, but with special priority for needs relating to poverty. Generally, it is essential that participating individuals find their service experience satisfying and enriching. This means:

that work assignments should be visibly productive and clearly related to community needs;

that job preparation should include provisions for adequate structure, supervision, and logistical support;

that opportunities for personal development as well as skills training should be made available to participants;

that recognition should include opportunities for volunteers to assume supervisory and decision-making responsibilities in their programs thus engendering a sense of ownership and full participation; and

that work assignments need not be related to the regular employment of the volunteer.

Section 304 suggests a broad array of types of service in the education, human service, environmental, and public safety areas. States may design their programs to give participants the choice of the entire spectrum of types of service, or may limit service to those filling a particular need or needs in the state or substate region.

The Committee observes that particular needs are especially well-suited to a national service response. For example, today in America there are more than three milion people who need Inde-

pendent Living Assistance—non-institutionalized, home-based assistance for people with physical limitations. Their needs are not medical in nature in the traditional sense; they do not require nursing services or the administration of medicine. They need help in basic human functions, getting up, dressing, moving about. For want of this assistance, many disabled men and women are confined to nursing homes or hospitals or fall back on family members who must leave the work force as taxpayers. It is estimated that programs through which young volunteers provide independent living assistance would result in substantial savings by keeping the disabled out of nursing homes and long-term care facilities and by permitting them and their family members to return to he workplace. The Committee hopes to encourage the development of pilot programs through this legislation to meet this need and document the predicted savings.

The Committee anticipates that some states may prefer to restrict the use of vouchers only to housing or only to education. States may indicate such a preference pursuant to section 303(h)(12) and section 307(d)(3). The percentage of states expressing such a preference will be valuable information for analysis of the demonstration program. However, the Board shall have discretion in granting such requests by States, and shall in no event allow more than 25 percent of states to exercise this option. The Committee prefers that participants, not states, have an option as to whether their vouchers shall be used for housing or educational expenses. This information will also be valuable when the Board evaluates the program.

A national service program should be inclusive in nature. It must become neither an elite preserve for the affluent and well-educated, nor a sub-minimum wage holding pattern for the poor and disadvantaged. For this reason, S. 1430 does not eliminate incentives altogether, but avoids the type of incentives that make service attractive only to the non-affluent. On the other hand, its stipend, voucher, and reimbursement provisions show awareness of the fact that economic barriers to participating in long-term service programs do exist for many segments of the population and tries to reduce or eliminate these barriers to the degree possible.

Inclusiveness can also be achieved by offering the widest possible range of service opportunities. Title III does so by offering both full- and part-time opportunities in a broad range of types of service.

In keeping with the Committee's intention to involve Americans of all backgrounds, the Board shall give preference to States that demonstrate a willingness to recruit a diverse group of applicants. States shall reach out to potential participants of all ages, economic levels, ethnic backgrounds and gender and to individuals with handicapping conditions.

Under section 306(h)(2), State administrative plans must specify the method of recruitment of economically and educationally disadvantaged youth including individuals with handicapping conditions, college-bound individuals, and employed individuals with the goal of enrolling such individuals in proportions roughly equal to their share of the population of the State or each participating community within the State.

The part-time demonstration program, in particular, is to be made available to working people who will devote a limited amount of time on a regular, long-term basis. Although the program is to be made available to students and others, preference should be given to applicants who are employed, pursuant to section 306(2). The Committee believes that people who are already integrated into a community will provide the long-term commitment to service which the Act is intended to foster.

In section 306(b)(2) of the bill, the Committee provides for the participation of those without high school diplomas in the national service demonstration program. Specifically, an individual 17 or over may serve if he or she agrees to complete high school or to complete a high school equivalency program in conjunction with fulfilling the service requirement. Section 312 also directs States receiving grants under this title to provide each participant in the full-time program with in-service educational services and materials needed to obtain a high school diploma or its equivalency.

The Committee urges States to consider seeking private contributions to pay for a share of program costs. The Committee intends for the Board, in its review of applications, to look favorably on such public and private partnerships and community "investment" in State programs.

In the case of part-time programs, the Board shall give preference to State plans which call for volunteers to work in teams, composed of people from a variety of backgrounds. In hearings and in discussions with volunteer organizations, the Committee has heard persuasive testimony that teamwork is especially conducive to development of community spirit and commitment. Because this spirit is to be fostered in all participants, through training and work, all reasonable methods likely to engender that spirit are to be employed.

Inclusiveness in national service should also relate to the age of the participants. While national service is often closely indentified with youth service, its focus should not exclude other population segments. The middle-aged and elderly not only represent a valuable and expanding community resources, but the idea of different generations working together in a common effort is a proven, effective, and mutually enriching approach to community service.

Therefore, the Committee encourages States to make volunteer opportunties under Title III available to people of all ages, in both the full-time and part-time programs. In particular, States shall use creative and innovative approaches to encourage participation by older people. Outreach shall be specifically targeted at the older population, and States shall take steps to remove barriers to participation that older people face, including lack of transportation and inaccessibility of facilities.

Under section 305, seniors are eligible to participate in the part-time program as regular volunteers, in the full-time program as regular volunteers, or in the full-time program as Special Senior Service volunteers. As regular participants in the part-time and full-time programs, senior citizens are required to meet the same requirements as other participants and receive the same benefits. If seniors elect to enroll as special senior service participants in a full-time National Service Demonstration Program, they may serve

either full time or less than full time. The Board shall determine the appropriate length and terms of service required by special senior service participants. Special senior service participants serving full-time will receive health insurance and a living allowance equal to that received by a full-time national service participant (no less than 100 percent of the poverty line for a single individual and no more than 100 percent of the minimum wage for a 40-hour workweek.) Special senior service participants serving less than full-time will receive a pro-rated portion of the living allowance provided to full-time special senior service participants.

Special senior service participants are ineligible to receive a voucher under Section 307 of this title. However, section 308(c) permits the Board to provide other assistance to special senior service participants serving both full time and less than full time if the Board considers such assistance necessary and appropriate for a senior participant to carry out the service obligation. Such assistance may include transportation, meals, health insurance, or other benefits and services equivalent to the cost of the education and housing vouchers provided to regular participants.

Section 304(b)(5) specifies that special senior service participants may assist the state in administering the program. Service by special senior service participants, however, is not limited to purely administrative functions. The Committee recognizes the benefits that may be derived from the knowledge and experience of seniors and encourages states to include special senior service participants as mentors, supervisors, and direct service providers. The Committee is supportive of an intergenerational approach that combines the knowledge of the elderly with the enthusiasm of the young.

In hearings and consultation with existing volunteer programs and organizations, the Committee repeatedly has been advised of the importance of adequate and proper training of participants to ensure a valuable volunteer experience. Further, the Committee believes that a well-trained participant will develop the enthusiasm and commitment necessary to maintain a long-term involvement with volunteerism.

Section 309 requires all full- and part-time participants to participate in a three-week training session provided by the Board, to be conducted by a team of trainers and organized and employed by the corporation to travel to participating states. The model for this method is the highly successful training provided by Special Olympics. Training should provide a grounding in the ethic of volunteerism and the spirit of helping others.

The three weeks of training shall be considered to be a period of "service" for purposes of calculation of benefits. Any other training, including that necessary to give volunteers the technical skills they need to perform their assigned tasks, shall be paid for and developed by the states, working with volunteer organizations to maximize efficiency and provide training specifically suited to the needs of the particular states.

States receiving grants under title III are not required to provide matching funds. In lieu of this match, states are to assume responsibility for costs related to building and maintaining an infrastructure in the state, including administration, recruitment, supervision of participants; the provision of inservice education benefits to

participants who have not graduated from high school; grievance and arbitration procedures specified in section 411(e); the collection of such data as the Board considers necessary to evaluate the program and enforce the provisions of this Act; the expenses of state advisory committees; the construction or renovation of any physical structure required to implement the program; and additional training for participants and supervisors not provided by the Board. The Board will assume federal administration; evaluation expenses; and costs related to support of individual participants, including three-weeks of training, education and housing vouchers, benefits for special senior service participants, living allowances and health insurance.

Section 312 of the bill requires each state participating in a demonstration program to provide in-service educational services so that all participants will have obtained a high school diploma or its equivalent by completion of service. It is the Committee's belief that participants in the national service program will reap a number of positive benefits from their service. By assuring completion of a high school diploma, participants will be assured that the options before them have expanded because of their service. Such a credential will also assure participants that they can make full use of the educational voucher they have earned at the college of their choice.

However, the Committee does not intend this accommodation to non-high school graduates to encourage or permit states to recruit current school-aged children into service. Rather it is the Committee's intend that this provision be used primarily with adult participants who may have not previously completed high school.

Also, it is the Committee's intent that students who participate in the national service program and receive educational vouchers not be penalized in their eligibility for federal education grants. However, the Committee would like to see a reduction in the loan burden of students who have successfully earned such a voucher. Towards this end, Section 313 of the bill requires the voucher to be considered as estimated financial assistance for purposes of determining student loan eligibility. Thus the voucher will effectively reduce a student's eligibility for student loans.

Neither the voucher nor the stipend will be considered as income for purposes of Pell Grant eligibility. This will keep the monies received under either the stipend or the voucher from raising the amount poor students are expected to contribute simply because of their participation in national service.

It is also the Committee's intent that students who participate in national service programs not be able to use their low income under the stipend to qualify for financial aid programs for which they would not otherwise qualify. To accomplish this, the stipend can not be counted as a resource to determine student independence. Thus, in order to be considered independent upon completion of the national service program, students would have to demonstrate independence without reliance upon the stipend received during their service.

TITLE IV—CORPORATION FOR NATIONAL SERVICE

Title IV authorizes the Corporation for National Service, which shall be directed by a National Service Board consisting of 11 members. These members shall serve for a term of seven years, although the terms of initial appointees shall be for three, five, or seven years so terms will expire at different times. Members of the Board should provide a broad representation of individuals with regard to geographic location, occupation, race, sex, ethnic background, and experience. Members should include both youth and senior citizens, and should demonstrate a commitment to community service. The Board should include representatives of such fields as community service, youth service, education, civic affairs, business, labor, military service, and older American volunteer programs. Board members shall not receive compensation for their service, but may be reimbursed for travel and other expenses related to their service on the Board. In order to keep expenses and bureaucracy to a minimum, the Board is encouraged to use members of the special senior service and employees on detail from other agencies.

The Board will administer programs authorized under titles II and III of this Act, will advise the Department of Education with respect to programs funded under title I of this Act, and will be responsible for issuing housing and education vouchers and living allowances for participants in programs funded under title III of this Act. The Board shall arrange for incorporation of the Corporation, provide, directly or through contract with public or private nonprofit organizations with extensive experience in service programs, training and technical assistance to States, full-time youth service corps, and full- and part-time national service demonstration programs; provide clearinghouses for information on service; consult with appropriate federal agencies regarding service programs, the issuance of vouchers, and programs on federal or Indian lands; arrange for enforcement and grievance procedures specified in sections 410 and 411; and arrange for evaluation of programs funded under titles II and III.

The Committee intends for the administration of this Act to be as inexpensive, streamlined and efficient as possible. To achieve this end, section 425 specifies that no more than $25 million per year in appropriated funds shall be expended by the Board of Directors of the Corporation for National Service to administer the programs under Titles II and III. The Committee urges the Board to seek private support for programs authorized under this Act and for other national and community service-related activities. Expenses not contemplated by section 414 or 416 may be supported by funds raised from nonfederal sources. All other expenses are to be borne by the states, which are also encouraged to maintain minimal bureaucracies and to rely upon preexisting programs, organizations and methods whenever possible.

The Committee intends for an equal percentage of the funds appropriated for title II and for title III to be allocated to the Board pursuant to section 415. For example, if $100 million is appropriated for title II and $150 million is appropriated for title III, 10 percent of title II funds—or $10 million—and 10 percent of title III

funds—or $15 million—may be made available to the Board under section 415.

The Corporation shall issue housing and education vouchers pursuant to section 307. The Corporation shall consult with the Department of Education in issuing education vouchers and with other federal agencies and departments as appropriate. The Corporation shall devise a procedure to ensure that such vouchers are expended in a manner consistent with the provisions of this Act. The Corporation shall also be responsible for determining benefits to be provided to special senior service participants pursuant to section 308(c), such as vouchers for long-term health care, housing, or other benefits of interest to older Americans.

The Corporation shall arrange for health insurance for full-time participants and shall establish living allowances for full-time participants pursuant to section 308 of not less than 100 percent of the poverty line for a single individual nor more than 100 percent of the minimum wage for a 40-hour workweek. Living allowances shall take into account regional variation in the cost of living. The Committee intends that the Corporation determine such variation based on cost of housing, food, transportation, utilities and other necessities. Living allowances may vary within a state, and should be based on the cost of living in the location where the participant will carry out his or her service.

Section 407 includes extensive reporting requirements for states to demonstrate compliance with the provisions of this Act and to provide the Board and the Congress with appropriate information for the purpose of evaluating the Act's impact. Without minimizing the importance of thorough reporting, the Committee intends for these reporting requirements to be streamlined and to require a minimum of paperwork.

The Commmittee intends for funds provided pursuant to this Act (including all required matching funds by states and localities) to expand service opportunities. For this reason, section 408 specifies that such funds shall be used to supplement the level of state and local public funds expended for services under this Act in the previous fiscal year.

Section 409 specifies that funds provide under this Act shall not be used by program participants and program staff to give religious instruction, conduct worship services, or engage in religious proselytization; assist, promote, or deter union organization; and finance any activity designed to influence the outcome of an election to federal, state or local public office.

Section 410(a) states that any financial assistance provided under this Act shall constitute Federal financial assistance for purposes of title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and the regulations issued thereunder. The Committee rejects the view that specific mention of the statutes is necessary in a funding program to trigger coverage. We include this provision to ensure that discrimination on the basis of race, national origin, sex, disability, and age is prohibited by entities receiving federal financial assistance under this Act.

Section 410(b) prohibits discrimination in the selection of participants in programs funded under part A of title I and titles II and

III based on race, religion, color, national origin, sex, age, handicap, or political affiliation.

Section 412 prohibits displacement of existing paid workers, reductions in the rate of hiring, and duplication of the functions of state and local government agencies by programs funded under this Act. The Committee stresses that this Act is intended to provide service that would otherwise not be provided. The Committee believes that it would be highly inappropriate to use volunteer service programs such as those funded under this Act to replace paid workers or to duplicate the functions of state or local government. Such a use of volunteers would be harmful to employees and the individuals they serve. Similarly, such a use could run counter to the Act's requirement that participants perform "meaningful and constructive service" and could undermine the participants' ability to benefit from the program.

Section 411 provides for expedited notice, hearing, and grievance procedures at the state and federal levels to enforce the provisions of section 412 and other sections of this Act.

The Committee is aware that several states, particularly Minnesota and Pennsylvania, have established comprehensive, state-wide service programs involving all the major streams of service contemplated by this Act. One factor responsible for the success of these state-wide programs is that they involve several different state and local agencies and are coordinated by an interagency or community board. The Committee hopes that other states will follow the lead of Pennsylvania and Minnesota in establishing multi-faceted service programs. To encourage states to implement a variety of service programs, and to facilitate their coordination, section 413 requires that each state applying for funds under part A of title I or titles II or III form a State Advisory Board for National and Community Service. If a state already operates such an advisory board, it will be deemed in compliance with this provision if such board is designated to perform the functions required in this section.

The Governor will appoint members of the Advisory Board, including representatives of state agencies administering community service, youth service, education, social service, and job training programs. In addition, the Advisory Board should include representatives of labor, business, agencies working with youth, community-based organizations, students, teachers, Older American Volunteer Programs, full-time youth service corps programs, school-based community service programs, higher education institutions, local education agencies, local government, state legislatures, volunteer public safety organizations, educational programs, and other organizations working with volunteers. Appointments should be made based on experience in these areas and not be based on political affiliation. The Advisory Board will assist state agencies administering programs funded under this Act in coordinating service programs and related programs within the state, disseminating information about the programs, recruiting participants, and developing programs, training methods, curriculum materials, and other materials and activities related to service programs. States are encouraged to use the Advisory Board to increase the visibility of programs funded under this Act, to raise matching funds, and ensure

that programs are responsive to the needs of both participants and those served by the program.

Section 414 provides for an extensive evaluation of the American Conservation and Youth Service Corps Act of 1989 and the National Service Demonstration Program Act. Such evaluation shall be conducted by individuals who are not directly invovled in the administration of the programs but who have expertise in community service programs or other relevant areas. The evaluations shall examine both the implementation of the programs and their effectiveness in achieving stated goals, and shall include a comparison of the relative merits and limitations of alternative approaches attempted under Titles II and III of this Act. In addition, such evaluation shall measure the impact of the programs on related programs, including VISTA, the Peace Corps, the Armed Services, the National Guard, the Older American Volunteer Programs, and Title V of the Older Americans Act.

The Committee is also concerned about the possible effects of a national service program on recruitment and retention of personnel for the Armed Forces. The Committee intends and believes that nothing contained within this bill will have any adverse effect upon the military. States are specifically directed to collect data on this subject from participants, which shall be analyzed by the Board with this concern in mind. The Board should assess the impact of a program of national service on the manpower needs of the Armed Forces with attention given the experience of the Army with two-year enlistments in the non-combat arms.

The Committee believes that it is also important to determine the effects of the Act on the National Guard and Reserves, which play an important role in the overall defense of the nation. The Board shall take special care to examine the effects of the bill on the Guard and Reserves when conducting its evaluation.

The Committee also intends for the Board to measure carefully the impact of programs funded under this Act on recruitment of participants in other civilian service opportunities. In particular, the Board shall focus on the impact of the special senior service authorized under title III of this Act on the Older American Volunteer Programs and title V of the Older Americans Act. The Board shall also undertake to evaluate the effect of programs funded under titles I, II, and III on recruitment for VISTA and the Peace Corps.

While the Board is encouraged to make, where appropriate, comparisons of participants in the programs with individuals who have not participated in the programs, it is not the Committee's intention to require that every program funded under Title II or III of this Act include a such control group. Rather, a sufficient number of programs should include randomly assigned control groups to allow for the evaluation of a sample of programs.

The Committee recognizes that because the Act has multiple objectives and will involve differing approaches with varying components, evaluations will face many technical issues and will have to be tailored to meet the realities of program development. Without seeking to prescribe particular evaluation methods, the Committee notes that the following are among the specific questions that the evaluation of Title III should address:

Implementation

What types of individuals respond to enrollment opportunities? Why do significant groups enroll in larger or smaller numbers? What is the relative significance of the differing inducements for enrollment? What are the attrition rates and duration of participation of different groups, and the reasons for early departure or longer-term participation?

What are the program costs, short-term and longer-term, such as the deferred costs of providing college and housing vouchers? What are the major operational problems encountered by the programs? How effective are the differing types of efforts made to overcome them? In the opinion of program participants, program staff, and members of communities receiving the youth services, what are the strengths, and weaknesses of such programs?

Effects

What are effects on the participants, and on major participant groups, including improvements in educational attainment achieved while enrolled in the program and after? Beyond measurement of participants' educational and other experience, what are the estimated net effects attributable to the program, as indicated by tracking of randomly assigned control groups? What are the effects on participants' attitudes toward themselves, as measured by test items already validated to the maximum extent feasible? What is the post-program employment experience of participants and how does it relate to their program service experience? What are the nature and magnitude of the effects of youth service on recruitment for VISTA, the Peace Corps, the National Guard, and the military? To what extent are regular paid workers displaced rather than supplemented by participants? What is the value of the service work performed by participants, in dollar terms and in terms of their roles in agencies and organization where they are placed? To what extent do early, short-term effects continue, dissipate, or build up further over the longer-term?

Upon completion, copies of the evaluation and an executive summary shall be distributed to the Senate Committee on Labor and Human Resources and the House Committee on Education and Labor.

Section 416(3) requires the Board, directly or through grant or contract with public or private non-profit organizations with extensive experience in service, to provide one or more clearinghouses for information on service. In carrying out this provision, the Board is instructed to consult with the Department of Education, which is similarly authorized to fund national and regional clearinghouses. Such clearinghouses should include at least one clearinghouse that will provide training and technical assistance to full-time and summer youth service corps programs, including conservation corps and human service corps. The Committee urges the Board to give priority to nonprofit organizations operating at a national level that have extensive experience with youth service corps programs, such as the National Association of Service and Conservation Corps.

The Board and Department of Education may decide to fund jointly a clearinghouse or clearinghouses that will assist programs under the jurisdiction of the Board and the Department. In such a case, the Board and Department of Education should give priority to organizations, such as Youth Service America, that have knowledge of and experience with each of the major streams of service funded under this Act, particularly student community service, college-based programs, and full-time youth service corps.

The Committee believes that one of the effects of this legislation will be to encourage millions of Americans to become engaged in service to their communities, whether or not they participate in a program funded under this Act. One way to encourage this result is to make clear the high value that the nation places on service. To this end, section 417 authorizes the President to make Presidential Awards for service to one individual and program in each Congressional district and each state. The Committee recognizes that there are many excellent service programs in existence that will not seek funding under this Act. Similarly, individuals may perform volunteer service without participating in a formal program. Therefore, individuals and programs receiving awards need not be participants in programs funded under this Act. Such individuals and programs could provide inspiration for others seeking to become involved in service. Therefore, the Committee requires that information about individuals and programs receiving should be widely disseminated.

Finally, the Committee recognizes the role of the President in providing leadership in the area of national service. One facet of that leadership is to encourage every agency of the federal government to provide opportunities for service. Therefore, section 418 requires the President to design a comprehensive Federal service strategy that shall include a review of existing programs to identify and expand opportunities for service; the designation of a senior official in each agency who will be responsible for developing service opportunities in existing program nationwide; the establishment of service projects in each agency; the designation of an executive branch official to coordinate the federal service strategy, and the annual recognition of outstanding service programs run by federal agencies. The Committee urges the President to encourage federal employees to become involved in volunteer service on a part-time basis, and to assist employees in finding service opportunities which they would be suited for.

TITLE V—EXPANSION OF VOLUNTEERS IN SERVICE TO AMERICA

Title V of the Act increases the authorization level for the VISTA program over the next four fiscal years to $56,500,000 in FY1993. This would more than double the current authorization level and allow for the number of VISTA volunteers to grow from 2,600 in FY1989 to 4,800 in FY1993. The Committee strongly supports the expansion of VISTA, a successsful anti-poverty program and one of our oldest surviving volunteer service programs, as an important component in our national service strategy.

TITLE VI—NATIONAL OLDER AMERICAN VOLUNTEER PROGRAMS

The Committee recognizes that older Americans are an important resource and should be included in the nation's national service effort. The National Older American Volunteer programs, authorized under the Domestic Volunteer Service Act and administered by the ACTION agency have a proven track record in involving senior citizens in service. Since these programs were authorized in the 1960s, more than 400 million Americans over sixty have contributed billions of hours of service to their communities. Because of the success of these programs, the Committee authorizes their expansion through the National and Community Service Act of 1989.

Title VI authorizes the National Older American Volunteer Programs Expansion Act of 1989. This program provides new authority for the Director of ACTION to make grants to OAVP projects to increase volunteer opportunities for older Americans in specific issue areas, described in the bill as "projects of national and local significance." The base authorization of each of the three Older American Volunteer Programs is increased for this purpose by $6 million for the Retired Senior Volunteer Program, $9 million for Senior Companions, and $9 million for Foster Grandparents.

Such grants will be made to OAVP programs that respond to an identified local community need, with priority given to work in the following areas: to assist individuals with immune deficiency syndrome, decrease drug and alcohol abuse, working teenage parents, match senior volunteers with youth who need guidance, conduct adult and school-based literacy programs, provide respite care, participate in before and after-school programs, including those offered by public libraries, work with boarder babies and with children in child care, and with developmentally disabled adults. The Committee intends for the Director to fund at least several projects in each of the areas designated in the bill.

An example of the type of "project of national and local significance" envisioned by the Committee is the "Family Friends" intergenerational demonstration project being conducted by the National Council on Aging with support from the Robert Wood Johnson Foundation. The "Family Friends" project is demonstrating, at eight sites throughout the country, that trained senior volunteers can provide critical support services to families caring for their disabled or chronically ill children at home. A June, 1989, General Accounting Office report identified the absence of such support services as a key variable in the decision to deinstitutionalize disabled or chronically ill children.

A second example of a "national significance program" is the Boarder Baby Grandfriend Project in New York City, which pairs Retired Senior Volunteer Program participants with hospitalized infants who have been cleared for discharge but have no place to go. Volunteers spend several hours each week caring for the infants, holding and feeding them, and providing nurturing care. The program provides special training for work with infants who have immune deficiency syndrome.

It is the Committee's intent that the grants be used primarily to expand the services of projects currently receiving funds under

title II of the Domestic Volunteer Services Act, in addition to establishing a number of new projects.

V. Votes in Committee

On August 2, 1989, the Chairman of the Committee on Labor and Human Resources, Senator Kennedy, convened an Executive Session of the Committee on Labor and Human Resources to consider S. 1430.

The Committee voted to adopt and report S. 1430 as amended, as an amendment in the nature of a complete substitute, by rollcall vote, 11–4.

YEAS	NAYS
Kennedy	Hatch
Pell	Kassebaum
Metzenbaum	Coats
Matsunaga	Thurmond
Dodd	
Simon	
Harkin	
Adams	
Mikulski	
Durenberger	
Cochran	

VI. Cost Estimate

U.S. Congress,
Congressional Budget Office,
Washington, DC, September 7, 1989.

Hon. Edward M. Kennedy,
Chairman, Committee on Labor and Human Resources,
U.S. Senate, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has prepared the attached cost estimate of S. 1430, the National and Community Service Act of 1989, as ordered reported by the Committee on Labor and Human Resources on July 20, 1989.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

Robert D. Reischauer,
Director.

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: S. 1430.
2. Bill title: National and Community Service Act of 1989.
3. Bill status: As ordered reported from the Senate Labor and Human Resources Committee, July 20, 1989.
4. Bill purpose: To enhance national and community service and for other purposes.
5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1990	1991	1992	1993	1994
Direct spending:					
Stafford Student Loan Program:					
Estimated budget authority		(1)	(1)	2	4
Estimated outlays		(1)	(1)	2	4
Authorizations:					
School Based Community Service:					
Estimated authorization level		65	68	70	73
Estimated outlays		8	52	66	70
Innovative Projects for Community Service:					
Change in estimated authorization level		33	37	38	39
Estimated outlays		4	27	35	38
Perkins Loan Cancellation Program:					
Estimated authorization level		(1)	(1)	(1)	(1)
Estimated outlays		(1)	(1)	(1)	(1)
Youth Service Corps:					
Estimated authorization		100	105	110	115
Estimated outlays		8	41	76	105
National Service Demonstration Project:					
Authorization level		100	125	150	300
Estimated outlays		5	55	95	160
Volunteers in Service to America:					
Authorization level	31	40	48	57	.....
Estimated outlays	19	36	45	53	22
National Older Americans Volunteer Programs:					
Retired Senior Volunteer Program:					
Authorization level	40	44	48	53	.....
Estimated outlays	24	42	46	51	21
Foster Grandparent Program:					
Authorization level	71	81	92	98	.....
Estimated outlays	43	76	87	95	38
Senior Companion Program:					
Authorization level	37	39	45	49	.....
Estimated outlays	22	37	42	47	19
Subtotal Authorizations:					
Estimated authorization level	178	502	567	625	528
Estimated outlays	108	215	396	519	473
Bill total:					
Estimated Budget Authority/Authorization level	178	502	567	627	532
Estimated outlays	108	215	396	521	477

[1] Less than $500,000.

The costs of this bill fall in Function 500.

Totals may not add because of rounding.

Basis of Estimate: Direct Spending, Stafford Student Loan Program:

Provisions including in this bill would affect the costs of the Stafford Student Loan Program (SSLP). The SSLP includes three separate loan programs: the regular Stafford loan program, the Supplemental Loans for Students (SLS) program, and the Parent Loans for Undergraduate Students (PLUS) program.

This bill would establish a loan forgiveness program for eligible borrowers in both the regular Stafford loan program and the SLS program. Full-time volunteers in the Peace Corps, VISTA, or other tax-exempt organizations would be eligible to have their outstanding loans partially cancelled for each year of service. Currently, such volunteers are eligible only to defer their loan repayment for a maximum of two years. Eligibility for loan forgiveness would be

limited to new borrowers who begin their course of studies at least 30 says after enactment of this bill.

Similar to the current Perkins loan cancellation program, S. 1430 provides for the cancellation of 15 percent of the outstanding principal of all Stafford and SLS loans and all accrued interest for each of the first two years of volunteer service and 20 percent of the outstanding principal and accrued interest for each of the subsequent two years. The federal government would be required to pay the holders of the loans for all cancelled interest and principal. Also, for a maximum of four years, the holders of the loans would, in the case of regular Stafford loans, continue to receive full interest subsidies from the federal government and, in the case of SLS loans, accrue and defer interest on the uncancelled portion of the loans.

The forgiveness program would not be fully implemented for several years because eligibility is limited to new borrowers. Only after they leave school and participate in a volunteer program would costs occur. In 1990, there would be no federal budget impact since the newly eligible borrowers would still be in school. By 1994, this program is estimated to cost approximately $4 million. Once fully implemented, approximately 2,000 volunteers with average indebtedness of $11,000 are expected to participate annually.

Authorizations: All estimates of authorizations assume full appropriation at the beginning of each fiscal year, except for fiscal year 1990 and that funding for 1990 authorizations would be available early in the fiscal year. The assumed enactment date of this bill is October 31, 1989.

School Based Community Service: This bill authorizes grants for School Based Community Service at $65 million in 1991 and such sums as may be necessary for each year through 1995. The 1992 through 1994 authorization levels are the 1991 level adjusted for projected inflation. Estimated total outlays reflect a spending pattern of similar categorical education grants.

Innovative Projects for Community Service: The Innovative Projects for Community Service are authorized currently at such sums as may be necessary each year through 1991. S. 1430 amends the program and authorizes $35 million in 1991 and such sums as may be necessary for each year through 1995.

In keeping with the CBO estimating convention, the 1991 change in the estimated authorization level is the difference between the projected authorization level compared to the newly stated level of $35 million. Adjusting the 1989 appropriation for projected inflation, the estimated current 1991 authorization level is $1.6 million. The 1992 through 1994 authorization levels are the 1991 level stated in S. 1430 adjusted for projected inflation. Estimated total outlays reflect the current program spending pattern.

Perkins Loan Cancellation Program: The current Perkins loan cancellation program would be extended by this bill to include full-time volunteers in tax-exempt organizations. Currently, only certain categories of teachers, members of the Armed Forces, and Peace Corps and VISTA volunteers are eligible to participate. Participation would be limited to new Perkins borrowers who begin their course of studies at least 30 days after enactment of this bill.

Specifically, the Perkins loan cancellation program provides for cancellation of 15 percent of the outstanding principal of the loan

and all accrued interest for each of the first two years of volunteer service and 20 percent of the outstanding principal and accrued interest for each of the subsequent two years. The federal government would be required to reimburse each college's revolving fund for the total amount of the principal and interest cancelled.

The forgiveness program would not be fully implemented for several years because eligibility is limited to new borrowers. Only after new borrowers leave school and participate in a volunteer program would costs occur. In 1990, there would be no federal budget impact because the newly eligible borrowers would still be in school. By 1994, this program is estimated to have a minimal impact on federal costs. Once fully implemented, approximately 800 volunteers with average indebtedness of $3,200 are expected to participate annually.

Youth Service Corps: The bill would authorize the National Service Board to provide grants to states or localities to create or expand full-time or summer youth service corps programs. Not more than 10 percent of the program funds could be used for the purchase of major capital equipment, and not more than 15 percent of the funds could be used for administrative expenses. In addition, spending on summer youth service corps programs could not exceed 10 percent of funds. The Corporation for National Service, established in title IV of the bill, would administer the Youth Service Corps and the National Service Demonstration Program at the federal level and would be funded from the Youth Service Corps and National Service Demonstration Program appropriations.

The bill authorizes the National Service Board (established in title IV of the bill) to give preference to programs and projects that: (1) provide long term benefits to the public, (2) instill a work ethic and sense of public service in the participants, (3) involve youth operating in crews, (4) are planned and initiated promptly, and (5) enhance skills development, educational level and opportunities for the participants.

The 1991 authorization level of $100 million for the program is stated in the bill. The outyear estimates reflect this level adjusted for inflation. Estimated total outlays reflect a spending pattern of similar programs.

National Service Demonstration Program: The bill would authorize a limited number of demonstration programs to be conducted in the states. Individuals participating in the demonstrations would perform national service to meet needs in the areas of education, social service, environment, and public safety. Participants could perform this service in a full-time or part-time capacity. In return for their service they would receive a stipend, health insurance, and a voucher to be used for education purposes or for the costs of a first home. Senior citizens could also serve but would not be eligible for the voucher. Federal funds would pay for stipend, insurance, and voucher costs as well as up to three weeks of initial training and federal administrative expenses. The Corporation for National Service would administer the National Service Demonstration Program and the Youth Serivce Corps at the federal level and would be funded from the National Service Demonstration Program and Youth Service Corps appropriations.

Authorizations for 1991 through 1994 are stated on the bill. Estimated total outlays reflect spending of vouchers over several years and spending on stipends, health insurance, and federal administration over a shorter period of time. Spending in the first year of operation is slower than in later years.

Volunteers in Service to America: The bill would authorize funds for National Volunteer Antipoverty programs under section 501 of the Domestic Volunteer Service Act of 1973. The 1990 through 1993 authorization levels for this program are stated in the bill. Estimated outlays reflect the current program spending pattern.

National Older Americans Volunteer Programs: The bill would authorize funds for National Older American Volunteer Programs—the Retired Senior Volunteer Program, the Foster Grandparent Program and the Senior Companion Program. The 1990 through 1993 authorization levels for these programs are stated in the bill. Estimated outlays reflect the current program spending pattern.

6. Estimated cost to State and local government: In 1991, approximately $55.3 million, or 85 percent of the total funds authorized for the School Based Community Service grants, are categorical grants to states and local governments. This bill requires participating states to fund 25 percent of the total cost of each state project. If the project is operated by a local government, then the combined state and local governments must fund 40 percent of the program costs with cash or in-kind services.

The bill provides that the federal share of the cost of the programs assisted under the Youth Service Corps should not exceed 75 percent. State and local grant recipients must match federal assistance at a rate of at least 25 percent. Based on that match rate and assuming full participation by states, CBO estimates the cost to state and local governments would be $33 million in 1991.

Participating states would also incur costs under the National Service Demonstration Program. States would pay for the state administration of the program, recruitment, supervision of the participants, data collection, and any construction or renovation of physical structures or facilities. These costs would vary significantly depending on the type of program the state chooses to run. Programs that are heavily weighted toward service in environment and public safety could result in state costs as high as 60 percent of federal costs. Programs that are weighted toward education and social service could result in much lower state costs of about 25 percent of federal costs. However, outlay of state funds would occur more quickly than federal outlays because a large portion of federal costs are the result of vouchers which outlay over an extended period of time.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Richard Curley, Deborah Kalcevic, and Cory Leach.

10. Estimate approved by: C.G. Nuckols for James L. Blum, Assistant Director for Budget Analysis.

VII. Regulatory Impact Statement

The Committee has determined that there will be minimal increases in the regulatory burden imposed by this bill.

VIII. Section-by-Section Analysis

Section 1. Short title and table of contents

The bill is entitled, "The National and Community Service Act of 1989."

Section 2. Findings

The Congress finds that national and community service is a responsibility of all citizens, leads to a better understanding of citizenship, and helps to build self-esteem, among other things. In particular, the youth of this country between the ages of 5 and 25 are an untapped resource for such community service. Although some programs already exist that offer service opportunities, such as Volunteers In Service To America (VISTA) and Older American Volunteer Programs (OAVP), for a number of reasons young adults and others are often unable to volunteer in such programs. Therefore, a broader range of service opportunities should be made available to all citizens.

Section 3. Purposes

The purpose of this bill is to renew the ethic of civic responsibility and ask all citizens to engage in full-time or part-time national and community service; to call on young people to serve and remove barriers that prevent them for serving; to build on existing service programs; and to generate 1 billion additional volunteer service hours to help meet human, educational, environmental, and public safety needs, particularly relating to poverty.

TITLE I—SCHOOL BASED COMMUNITY SERVICE

Part A—School Based Community Service

Section 101. Short title

The short title is cited as "Serve-America, the Service to America Act of 1989."

Section 102. Program authorized

The Secretary of Education is authorized to make grants of no longer than 3 years to States or local applicants to create or expand opportunities for students and out-of-school youth to volunteer in their communities, and for community members, particularly senior citizens, to volunteer in schools.

Section 103. Definitions

The following terms are defined: "community-based agency", "education institution", "education partnership program", "elementary school", "institution of higher education", "local educational agency", "local government agency", "out-of-school youth", "participant", "partnership program", "placement", "project", "school volunteer", "secondary school", "Secretary", "service op-

portunity", "State", "State agency for higher education", "State educational agency", "student", and "student community service program."

Section 104. Allocation of funds

Of the funds appropriated for part A, 85 percent is available for grants to States. If more than $50 million is appropriated, such funds are allocated among States with approved applications according to the basic grant formula under Chapter 1 of the Elementary and Secondary Education Act. Otherwise, the Secretary of Education allocates the grants to States by considering the number of elementary and secondary students enrolled in the State, the proposal's quality, and the evidence of State commitment to the program. The remaining 15 percent of the appropriation is available in direct grants for program support, evaluation, training, technical assistance, clearinghouses, model programs, and innovative curriculum materials development.

Section 105. State application

To receive State grants, States are required to submit applications to the Secretary describing the following: how local applications will be ranked; how service programs will be coordinated; how cooperation among education, government, and business sectors to provide service opportunities will be encouraged; how economically and educationally disadvantaged students and students with handicaps are assured service opportunities; how funded programs will be evaluated; how funded programs will serve rural, urban, and tribal areas; how technical assistance and training will be provided; how nonfederal funds will be used to expand service opportunities; and how information dissemination and outreach will be used to involve organizations, particularly community-based organizations.

Section 106. Local application

To receive a grant, an education institution, local government agency, community-based agency, or a consortia of these groups must form a partnership consisting of at least one educational institution and one local government or community-based agency, unless the applicant is an education institution that intends to provide service opportunities solely within an education institution, or has formed a partnership program with private business. Grants to local applicants are available for up to 3 years and may be renewed for 3 additional years.

Applicants must apply to the State educational agency for a grant. Each application must contain such information as an agreement between the institution with participants or volunteers and a community representative(s) or educational institution where service opportunities will be provided; the role and membership of an advisory committee; program goals; the service opportunities that will be provided; a description of participants and school volunteer recruitment including assistance by community-based agencies in the recruitment of out-of-school youth; how participants or school volunteers were or will be involved in the program design and operation; the name, qualifications, and responsibilities of the coordi-

nator of any program assisted in this part, if available; a description of the preservice and inservice training for supervisors and participants or school volunteers; how exemplary service will be recognized; potential funding resources for the continuation of the program; and assurances that, before a placement is made, the program will consult with labor organizations representing local employees engaged in similar work proposed by the program. An applicant planning to operate a student community service program must include additional information.

To be approved by State educational agencies, local student community service programs must provide for an age-appropriate learning component, preservice and inservice training for participants and supervisors, and participant commitment to the project. Local school volunteer and partnership programs must provide training for supervisors and volunteers, and opportunities for volunteers to work with at-risk children or their teachers to be approved.

In providing assistance, the State educational agency must give priority to applications that include participants in the program design and operation, target low-income areas and individuals of varying age, race, sex, ethnic group, and economic background, and integrate service opportunities into the curriculums. The State educational agency shall give priority to volunteer and partnership program applications that involve senior citizens as volunteers, promote business partnerships, and focus on health education and dropout and substance abuse prevention.

Section 107. Federal share

The Federal share of State program costs is 75 percent. The Federal share of local program costs is 80 percent the first year they receive funds under this part, 70 percent the second year, 60 percent the third year, and 50 percent the fourth and each succeeding year. The local share may be paid in cash or in kind. If the local nonfederal share is paid by profitmaking organizations, the nonfederal share is decreased by five percent in each of the first three years.

Section 108. Uses of funds

States must use no more than 20 percent of part A funds for administration, training, technical assistance, curriculum development, and coordination activities. States must use no more than 10 percent of such funds for school volunteer and partnership programs. Local applicants may use funds for administration, training, participant supervision, transportation, insurance, and other reasonable expenses. Participants may not receive stipends or financial support from part A funds except as reimbursement for reasonable out-of-pocket expenses.

Section 109. Federal activities

The Secretary of Education, in consultation with the National Service Board, is authorized to fund one or more national or regional clearinghouses through public and private nonprofit agencies to provide information, curriculum materials, technical assistance, and training.

The Secretary, in consultation with the National Service Board, is authorized to make grants for national model youth service programs to States, education institutions, local government agencies, community-based agencies, or consortia of these organizations, and must disseminate information about such programs.

The Secretary is also authorized to make grants for the development of innovative curriculum material for use in student community service and school volunteer partnership programs.

Section 110. Evaluation

The Secretary of Education must provide for the evaluation of programs assisted under part A to measure their impact, cost effectiveness, the impact on related programs, and the structure and mechanism for delivery. When appropriate, the evaluations shall compare the program with a control group. The Secretary must develop and publish standards for evaluation, and include the opinions of program participants and community members on the strengths and weaknesses of such programs. The Secretary must publish the evaluation results no later than 60 days after their completion.

Section 111. Authorization of appropriations

$65 million is authorized to be appropriated for fiscal year 1991, and such sums as necessary for fiscal years 1992–1995.

Part B—Higher Education

Section 121. Innovative projects for community service

Part C of title X of the Higher Education Act of 1965 is revised to provide assistance through grants and contracts with institutions of higher education, and other public or nonprofit private agencies or organizations for projects to encourage student participation in community service; create opportunities for community service in exchange for reduction of financial aid debt; encourage student-initiated and designated community service projects; and to integrate community service into academic curricula.

Application for part C assistance is made to the Director of the Fund for Improvement of Postsecondary Education and the National Board of the Fund for the Improvement of Postsecondary Education shall advise the director on programs, priorities, and project selection.

The Secretary is authorized to appoint technical employees for terms not to exceed 3 years to administer title X, but such employees are limited to one per $2 million appropriated. No institution of higher education is required to offer academic credit to receive assistance under this title.

$35 million is authorized to be appropriated for fiscal year 1991, and such sums as may be necessary for fiscal year 1992–1995.

Part C—State Student Incentive Grant and Work Study Programs

Section 131. Additional reservation for campus-based community work learning study jobs.

Section 415B(a) of the Higher Education Act of 1965 is amended to allot 50 percent of any appropriations exceeding $75 million for the State Student Incentive Grants program for students eligible for campus-based community work learning study jobs. The allotment is based on the number of students participating in campus-based community work learning study jobs in each State compared to the total number of students particpating in such jobs in all States.

Section 132. Work study programs

Section 443(b)(5) of the Higher Education Act of 1965 is amended to provide that the Federal share of College Work Study programs will be 70 percent for academic years 1990–1991 and 1991–1992, and 60 percent for academic year 1992–1993. The Federal share for the Work Study for Community Service-Learning program will increase from 90 to 100 percent.

Part D—Publication

Section 141. Information for students

Section 485(a)(1) of the Higher Education Act of 1965 is amended to require colleges, universities, and other institutions participating in Federal student aid programs to disseminate information to students receiving Stafford student loans (Guaranteed Student Loans) or Perkins loans on deferral of repayments and partial loan cancellations in exchange for service in the Peace Corps, VISTA, or comparable service with tax-exempt organizations.

Section 142. Exit counseling for borrowers

Section 485(b) of the Higher Education Act of 1965 is amended to require colleges, univerisities, and other institutions participating in Federal student aid programs to include in exit counseling for Stafford and Perkins loan borrowers information on the terms and conditions under which students may obtain partial cancellation or defer repayment of loans in exchange for service in the Peace Corps, VISTA, or comparable service with tax-exempt organizations.

Section 143. Department information on deferments and cancellations

Section 485(d) of the Higher Education Act of 1965 is amended to require the Secretary of Education to include in descriptions of Federal student assistance programs information on the terms and conditions under which students may obtain partial cancellation or defer repayment of Stafford and Perkins loans in exchange for service in the Peace Corps, VISTA, or comparable service with tax-exempt organizations.

Section 144. Data on deferments and cancellations

Section 485B(a) of the Higher Education Act of 1965 is amended to authorize the Secretary of Education to include in the National Student Loan Data System information on the exact amount of Stafford and Perkins loans partially canceled or in deferment for service in the Peace Corps, VISTA, or comparable service with tax-exempt organizations.

Part E—Direct Loans to Students in Institutions of Higher Education

Section 151. Loan cancellation authorized

Section 465(a)(2) of the Higher Education Act of 1985 is amended to authorize cancellation of Perkins student loans for full-time volunteer service with tax-exempt organizations at a rate of 15 percent for the first and second years of service and 20 percent for the third and fourth years of service.

Section 152. Effective date

The new loan cancellations authorized for Perkins loans are effective only for new borrowers whose loans are made to cover periods of enrollment beginning on or after 30 days after enactment of the new authority.

Part F—Loan Forgiveness

Section 161. Loan forgiveness

Part B of the Higher Education Act of 1985 is amended to authorize Stafford loan borrowers to have their loans canceled in exchange for service in the Peace Corps, VISTA, or comparable service with tax-exempt organizations at a rate of 15 percent for the first and second years of service and 20 percent for the third and fourth years of service. The student borrower who fails to volunteer for service after agreeing to do so as a condition for loan cancellation will assume the obligation of repayment. The Secretary shall waive or suspend any obligation of service whenever the Secretary determines that the service involves an extreme hardship to the volunteer.

Section 162. Effective date

The Stafford loan cancellation provisions are effective only for new borrowers whose loans are made to cover periods of enrollment beginnning on or after 30 days after enactment of the new authority.

TITLE II—YOUTH SERVICE CORPS

Section 201. Short title

Title II is cited as "The American Conservation and Youth Service Corps Act of 1989."

Section 202. Definitions

Terms are defined that are used in title II of the Act. These terms are: "Board", "crew leader", "crew supervisor", "Indian

lands", "Indian tribe", " local applicant", "participants", "placement", "program", "program agency", "project", "public lands", "State", "summer program", and "youth service corps program."

Section 203. Program authorized

The National Service Board, established under title IV of the Act, is authorized to provide renewable grants of up to 3 years to State or local applicants to create or expand full-time or summer youth service corps programs.

Section 204. Allocation of funds

The Board may award competitive grants to States that submit applications and award grants to local applicants if a State does not apply. This section also limits the percent of each grant that may be used for capital equipment (to 10 percent), administrative expenses (to 15 percent) and summer programs (to 10 percent).

Section 205. State application

The components that must be in a State or local application in order to receive funds under title II of the Act include: a description of the program and goals; plans for certification of training skills; requirements to be imposed on sponsoring organizations; number of participants; method of appointing supervisory staff; facilities to be used; standards of work requirements; plans for assigning participants to facilities; and an assurance that consultation with local labor unions will take place before placing a volunteer. In addition, States administering their own grant program, must describe how local applicants and programs will be evaluated and coordinated and how economically and educationally disadvantaged youth will be recruited. They must also encourage cooperation among programs with the appropriate State job training coordinating council.

Section 206. Focus of programs

In the case of conservation corps programs projects may include: conservation and rehabilitation of wildlife habitats and urban revitalization and a variety of other conservation-related activities. Human service corps projects may include service in governmental agencies, nursing homes, law enforcement agencies, and social service organizations. Ineligible projects include service in for-profit businesses, labor unions, and partisan political organizations. Participants are limited to working on projects for a maximum of 1 years.

Section 207. Related programs

Any existing programs under the Department of Health and Human Services (DHHS) with the same purpose as an eligible program under this title are encouraged to use the services available under this title.

Section 208. Public lands or Indian lands

Only projects that operate on public or Indian lands or provide a public benefit will be funded under this title, and the Board must consult with the Department of the Interior in reviewing applica-

tions for projects on public or Indian lands. In addition, any conservation, rehabilitation or improvement project must be consistent with laws and policies governing such lands. The Board must also reserve not more than 5 percent of appropriated funds for Federal disaster relief.

Section 209. Training and education services

The educational level of all participants will be assessed at the time of intake, and will be enhanced through the program. Training, education services, and counseling must be made available to program participants while they are participating in the program as well as after they have completed the program. States must use at least 10 percent of funds for in-service training and at least another 10 percent for post-service training. Non-high school graduates must have priority in receiving these services, and must commit to working toward earning a high school diploma or its equivalent.

Section 210. Amount of award

In considering how much money to award each applicant, the Board must consider the proportion of unemployed youth in the area to be served and the type of projects proposed by the applicant.

Section 211. Matching requirement

The Federal share of programs under this title must not exceed 75 percent, and State or local applicants must provide at least 25 percent of funds.

Section 212. Preference for certain projects

The Board, in approving applications, must give preference to programs and projects that: provide long-term benefits to the public; instill a work ethic and sense of public service; are labor intensive; can be planned and initiated promptly; and enhance the skills development and educational level and opportunities for participants.

Section 213. Effect of allowances on eligibility for other Federal assistance

Living allowances and benefits received under the program by an economically disadvantaged youth are prohibited from being counted when determining eligibility for and amount of benefits under other Federal programs.

Section 214. Age and citizenship criteria for enrollment

Participants in youth service corps programs must be 16–25 years old and citizens, nationals or lawful permanent residents of the United States. Summer programs may include individuals 15–21 years old.

Section 215. Post-service benefits

Programs must provide post-service education and training benefits (such as scholarships and grants) to participants in the amount

of $50 to $100 per week. These benefits are to be excluded from gross income for Internal Revenue Service (IRS) purposes.

Section 216. Living allowance

Program participants must receive health benefits and living allowances of not less than 100 percent of the poverty line for a single individual nor more than Federal minimum wage. Programs may deduct a reasonable amount for room and board from the participants' living allowances while they are in full-time service.

Section 217. Joint projects involving the Department of Labor

The Board may develop, with the Department of Labor, joint projects with employment and training programs administered by the Department of Labor, including activities under the Job Training Partnership Act.

Section 218. Federal and State employee status

Participants and crew leaders are generally not considered Federal employees except in relation to work-related injury, allowances for room and board, and tort claims.

Section 219. Authorizations of appropriations

$100,000,000 is authorized to be appropriated for title II for FY 1991 and such sums as necessary for FYs 1992–1995.

TITLE III—NATIONAL SERVICE DEMONSTRATION PROGRAM

Section 301. Short title

Title III is cited as the "National and Community Service Demonstration Act."

Section 302. Definitions

Terms to be used in title III are defined. These terms are "Board", "eligibile organization", "institution of higher education", "participant", "placement", "program", "special senior service member", "sponsoring organization" and "State."

Section 303. Grants

Within a year of the enactment of title III, the Board must award grants to States to create full-time and part-time national service demonstration programs. In awarding grants, the Board must consider: the ability of a program to serve as an effective model for a large scale national service program; the qualify of the application relating to training, recruitment, placement and data collection; the extent that the program builds on existing programs; and the expediency with which the program will be operational.

In FY 1991, up to 5 States will be authorized by the Board to operate 5 full-time programs and up to 5 States will operate part-time programs; in FY 1992, a maximum of 8 States full-time and 8 States part-time; in FY 1993, a maximum of 10 States full-time and 10 States part-time; and in FY 1994 and 1995, a minimum of 12 States full-time and a maximum of 35 States part-time. States operating both full-time and part-time programs must be counted twice.

No more than 25 percent of States may offer an alternative voucher option (see section 307). States must submit applications with detailed information on their proposed programs.

Section 304. Types of national service

Projects that are to be included in national service programs are: educational service; human service such as assisting elderly, poor, and homeless individuals; environmental service; public safety; and in the case of the senior service, administrative service in the program.

Section 305. Terms of service

Part-time program participants must volunteer for a period of 3–6 years (2 weekends a month and 2 weeks a year, or an average of 9 hours a week). Full-time program participants must volunteer 1–2 years (not less than 40 hours a week). A special senior service is also established for which participants can volunteer either part-time or full-time.

Section 306. Eligibility

Part-time and full-time program participants must be 17 years or older, and citizens or lawful permanent residents of the United States. In part-time programs, preference must be given to applicants who are currently employed. In full-time programs, participants must also have a high school diploma or its equivalent, or agree to achieve a diploma or equivalent while in the program. Participants in the senior service must be 60 years or older, with any other criteria to be set by the Board.

Section 307. Vouchers

The Board must provide each participant with annual vouchers worth $3,000 for part-time participants, and $8,500 for full-time participants. Vouchers may be used for payment of a Federal or nonfederal student loan, downpayment or closing costs on a first home, or tuition at a higher education institution on a full-time basis or expenses incurred in a full-time apprenticeship program. In addition, full-time participants may use their vouchers for room and board, books and fees, and other costs incurred at higher education institutions. States operating full-time programs may, upon Board approval, use an "alternative voucher option" limiting the use of vouchers to either education or housing purposes only. Vouchers are to be excluded from gross imcome for IRS purposes.

Section 308. Living allowance

The Board must provide living allowances to full-time program participants and senior service participants equal to not less than 100 percent of the poverty line for a single individual (as defined in the Community Services Block Grant) and not more than the Federal minimum wage equivalent for the number of hours worked. Health insurance must also be provided to full-time participants.

Section 309. Training

The Board, in cooperation with the State, must provide 3 weeks of general training for participants to orient them to the nature,

philosophy, and purpose of the program, among other things, and build an ethic of community service. Additional training may be conducted by the State. Specific training relevant to work to be conducted must be conducted by the sponsoring organization.

Section 310. Use of funds

Federal funds may not be used for other State training or other State incurred costs. Federal money may only be used for the 3-week training, vouchers, living allowances, health insurance, evaluations by the National Service Board, and other Federal administrative costs.

Section 311. Public-private partnership

The Board will develop opportunities for partnerships between private and public entities to fund and administer programs under this title.

Section 312. In-service education benefits

States participating in the program must provide education services and materials to program participants while enrolled in the program to enable them to earn a high school diploma or its equivalent.

Section 313. National Service Demonstration Program amendments

Vouchers received under the Act will be considered as financial assistance for purposes of determining Federal student aid. However, stipends will not be considered in determining expected family contribution or independent student status. Necessary conforming amendments are also made to the Higher Education Act.

Section 314. Authorization of appropriations

Title III is authorized at $100,000,000 for FY 1991; $125,000,000 for FY 1992; $150,000,000 for FY 1993; and $300,000,000 for each of FY 1994 and FY 1995.

TITLE IV—CORPORATION FOR NATIONAL SERVICE

Section 401. Definitions

Terms to be used in title IV of the Act are defined. They are: "board", "Corporation", "election", and "Federal office."

Section 402. Establishment of corporation; application of District of Columbia Nonprofit Corporation Act

A nonprofit corporation, the Corporation for National Service (the Corporation), is established in the District of Columbia, which is not considered an agency or establishment of the United States Government.

Section 403. Board of directors

The Corporation will be directed by an 11-member Board of Directors which will be appointed by the President and confirmed by the Senate. Criteria are established for selecting and compensating members of the Board, terms of office, attendance at meetings, and filling vacancies.

Section 404. Officers and employees

The Corporation will have a President and other officers that the Board appoints. The Board is encouraged to select members of the special senior service as employees.

Section 405. Nonprofit and nonpolitical nature of the corporation

The Corporation may not issue shares of stock or pay dividends nor may income or assets of the Corporation be paid to any director, officer, or employee except as salary. In addition, the Corporation may not contribute to or support any political party or candidate for office.

Section 406. Housing and education vouchers; living allowances

The Corporation is authorized to issue housing and education vouchers and living allowances under title III of the Act.

Section 407. Reports

States receiving funds under part A of title I and titles II and III must submit an annual report to the Board on the status of national and community service programs. States may require local grantees to supply information to be used in completing such a report. In particular, States and local grantees must demonstrate compliance with the nonduplication clause of section 412. In addition, the Board must submit an annual report to Congress on the status of the program under each of these titles.

Section 408. Supplementation

Federal funds used in this program must supplement State and local funds expended for services in the previous year.

Section 409. Prohibition on use of funds

Funds provided under part A of title I and titles II and III must not be used in religious instruction, assisting or deterring union organizing, or financing or influencing the outcomes of elections. Projects shall not impair existing contracts for services or collective bargaining agreements.

Section 410. Nondiscrimination

Funds provided under the Act are subject to general Federal Nondiscrimination provisions. The Secretary of Education must issue rules and regulations to enforce such nondiscrimination provisions for programs under part A of title I. The Board must do the same for programs under titles II and III of the Act.

Section 411. Notice, hearing, and grievance procedures

The Secretary of Education or the Board is authorized to suspend payments if any grantee fails to comply with provisions within the Act. Procedures by which grantees can protest such rulings are outlined. They include the opportunity for a full and fair hearing, grievance procedures, deadlines for hearings and decisions, and arbitration procedures, if needed.

Section 412. Nonduplication and nondisplacement

Funds are prohibited from being used for a program that duplicates activity already available in the State or locality. An employer is also prohibited from displacing an employee or position with a participant from this program. Service opportunities shall not be created that will infringe on the promotional opportunity of an employee. Provisions are also included to prohibit services that would otherwise be performed by an employee, or that would supplant the hiring of employees, or that had been recently performed by an employee.

Section 413. State advisory board

States applying for funds must form a State Advisory Board comprised of representatives of State agencies administering community service, youth service, education, and job training programs. The Board must also include representatives of labor, business, community based organizations, students, and teachers, among other areas. These Advisory Boards are to assist the State agency in administering the program under part A of title I and titles II and III.

Section 414. Evaluation

The National Service Board must evaluate the programs under title II and III to determine the effectiveness of programs in achieving stated goals, the impact of programs on existing programs including the Peace Corps, VISTA, and the military, and the structure and mechanism for delivery of services. Evaluations must also include comparisons of program participants to non-participants. Further, programs must be evaluated for effectiveness in recruiting a diverse body of participants, promoting the educational achievement of participants, encouraging them to engage in public and community service after completion of the program, and promoting positive attitudes, among other things.

Section 415. Funding

Of funds appropriated for titles II and III, at least $5 million and not more than $25 million must be available for program support, evaluations, and other activities of the Board.

Section 416. Functions of the National Service Board

The functions of the National Service Board are to include administering titles II and III, providing training and technical assistance to States, establishing an information clearinghouse on service in consultation with the Department of Education, and evaluating programs.

Section 417. Presidential awards for service

The President is authorized to make awards for service to individuals who demonstrate outstanding community service and to outstanding service programs.

Section 418. Comprehensive service strategy

The President must design a comprehensive Federal service strategy that must include ideas for expanding opportunities for service for students and out-of-school youth, and providing for service opportunities within Federal agencies.

Section 419. Engagement of participants

States are prohibited from engaging participants until Federal funds have been appropriated for vouchers and other expenses.

TITLE V—EXPANSION OF VOLUNTEERS IN SERVICE TO AMERICA

Section 510. Short title

Title V is to be cited as the "VISTA Expansion Act of 1989."

Section 502. Authorization of appropriations

The authorization levels for VISTA are changed to $30,600,000 for FY 1990; $39,909,000 for FY 1991; $47,800,900 for FY 1992; and $56,500,000 for FY 1993.

TITLE VI—NATIONAL OLDER AMERICAN VOLUNTEER PROGRAMS

Section 601. Short title

Title VI is to be cited as the "National Older American Volunteer Program Expansion Act of 1989."

Section 602. Programs of national and local significance

The Older American Volunteer Programs within the Domestic Volunteer Service Act are amended by adding Section 225, "Programs of National and Local Significance." This section authorizes grants of up to $150,000 each to support programs that address national problems at a local level such as helping those with chronic illnesses, decreasing drug and alcohol abuse, working with teenage parents or boarder babies, and providing child care, among other services.

Section 603. Authorization of appropriations

The authorization levels for the programs that comprise the Older American Volunteer Programs are set at the following: Retired Senior Volunteer Program—$39,900,000 for FY 1990; $43,900,000 for FY 1991; $48,300,000 for FY 1992; and $53,100,000 for FY 1993; Foster Grandparent Program—$70,800,000 for FY 1990; $80,900,000 for FY 1991; $91,700,000 for FY 1992; and $98,200,000 for FY 1993; and Senior Companion Program—$36,600,000 for FY 1990; $39,000,000 for FY 1991; $44,700,000 for FY 1992; and $48,700,000 for FY 1993.

IX. Additional and Minority Views

MINORITY VIEWS OF MESSRS. HATCH, COATS, THURMOND, AND COCHRAN

A bill to promote and encourage the spirit of volunteerism in America should be one with which no one can quarrel and from which no one can dissent. Unfortunately, the bill reported by the Committee focuses almost exclusively on the creation of full-time low-income work and only passingly promotes the kind of volunteerism in which all Americans can participate. Accordingly, we dissent.

As the tragedies of the recent California earthquake and South Carolina and Gulf Coast hurricanes demonstrate, no amount of money can substitute for the efforts of individuals reaching out to each other in a community's time of need. Our hearts were touched as the news of such devastation was coupled time after time with stories of the heroic and selfless efforts of ordinary citizens helping their neighbors and total strangers escape harm's way or cope with a loss that may never fully be comprehended.

It is this aspect of the American character that is the proper focus of a national service bill. We must assist states and local communities to instill in all citizens this ethic of service to others as a daily component of good citizenship. Volunteerism is not and should not be a phenomenon seen only in the aftermath of hurricanes and earthquakes.

Neither should it be reserved only for those who can drop all other obligations and make it a full-time or even a summer job. There are, no doubt, millions of Americans who would be happy to give an hour here—an hour there—to help those less fortunate, to help preserve our environment, to teach people to read, to provide support at schools and hospitals, or to do any number of other things, if only they know where their services are most needed.

It is for this reason that Title I of the bill deserves the support of the members of the Committee and, indeed, the full Senate. Unfortunately, Title I is linked to a series of alternatives that have the effect of making volunteerism an activity for the very young, the very old, or a privileged few in-between who are uniquely able to devote the majority of their time to being a "paid volunteer." There is no flexibility to use the funds to support the expansion of our existing volunteer network. Nor is there flexibility for a state to design a program to fit their local needs or to use their pool of available volunteers.

In a time where we routinely speak of a budget crisis, sequestration, and deficit reduction, it approaches folly to propose spending $300 million per year to promote "volunteerism." Moreover, spend-

ing $100 million in just the first year for "demonstration" projects will create only unreasonable expectations of the assistance the Federal Government can provide. The Committee bill provides authorization for $300 million for each of FY '94 and '95. These amounts are too high and harbor the prospect of a billion-dollar program in the not too distant future as the number of states seeking to participate grows.

The goals of the authors of this bill are laudable, but the means chosen to achieve those goals are misguided. Nearly 30 years ago, President Kennedy launched a new era in American public service with the Peace Corps. In 1989, the Congress can best honor that legacy by following the lead of President Bush to develop a program to encourage in all Americans that sense of service to others—educating, facilitating, and encouraging that service in whatever bits of time or in whatever manner the rush of busy lives permits.

ORRIN G. HATCH.
DAN COATS.
STROM THURMOND.
THAD COCHRAN.

MINORITY VIEWS OF MRS. KASSEBAUM

The National and Community Service Act of 1989 reflects the feeling that service addresses not only many pressing needs in our society but also enhances the sense of purpose and self worth of those who offer their time and talents. Although I heartily concur with this sentiment, I am not convinced that this new federal legislation is the most practical or effective means of achieving these goals.

My opposition to this legislation is based on two main concerns.

First, the $300 million authorized for service programs is a substantial sum of money. Should such additional funds become available, they would be spent more effectively on programs such as Head Start which are currently able to serve only a fraction of those who might benefit from them.

Given our budget situation, with a sequester now in effect, it is doubtful that we are going to come up with new funds for the service programs authorized by this legislaiton. If funding is provided, it will more likely come from raids on existing programs.

Second, I do not believe the bill captures what service and volunteerism are all about. Service activities should be based in the community, and financial reward should not be seen as the incentive for offering service. True service is that which is freely given because one wants to make a real difference in improving the quality of community life. It should not be regarded as an obligation to be met for a year or two and then abandoned.

I believe it is possible to foster this spirit of service without resorting to the creation of new programs which are in many ways duplicative of those already in existence—and the creation of a new bureaucracy to administer them. We in Washington have the power to pass costly programs and launch national initiatives, but we are totally powerless in creating those caring, committed individuals upon whom every success depends.

The diversity of American life has been reflected in the variety of service opportunities which are available. In addition to the activities sponsored by community-based organizations, there are options for service in organizations such as the Peace Corps, VISTA, and the military for those who wish to make a full-time commitment.

A renewed focus on service is a welcome development, but the vitality of the effort will rely not on new federal programs but rather on the development of a sense of individual responsibility to be of service to others.

NANCY LANDON KASSEBAUM.

ADDITIONAL VIEWS OF MR. DURENBERGER

All around us, a limitless and renewable natural resource is waiting to be tapped as this nation seeks to meet unmet needs and unfulfilled opportunities. Youth in service is that natural resource, and with continued strong leadership from the President, and the U.S. House and Senate, we can begin to tap that resource in the 101st Congress.

The "National and Community Service Act of 1989" represents a major step forward as we move toward the goal of adopting a comprehensive, bi-partisan youth service bill in this session of Congress. And, although I'm hopeful that final legislation will also incorporate ideas advanced by President Bush, I was pleased to support this legislation as it was reported August 2 by the Labor and Human Resources Committee.

In particular, I want to commend our chairman, Senator Kennedy, for his untiring efforts to craft a comprehensive proposal from among a number of differing bills introduced by our colleagues. I look forward to continuing to work with our chairman as additional refinements ar made in this bill prior to floor consideration in the Senate.

MINNESOTA'S LEADERSHIP ON YOUTH SERVICE

In crafting a bi-partisan proposal, I believe we would also be wise to draw on the experience and expertise of states—like Minnesota—whicha re already tapping the rich natural resource represented by our nation's youth.

That's one reason I recently convened an "ad hoc working group on youth service" which includes many of the best minds on this subject in a stae that is leading the rest of the nation in expanding youth service opportunities.

At the core of Minnesota's leadership on youth service is a firm belief that voluntary service emerges from a "state of mind" that is most effectively nurtued from a very young age. To encourage that state of mind, we must establish strong links between youth service and education.

Drawing on this belief, Minnesota's educational, public and voluntary sectors have designed and begun to implement a youth service program that includes schools and colleges, traditional youth organizations, the adult volunteer community and the private sector.

Building on its past record of leadership, the 1989 Minnesota Legislature took several additional steps to support youth voluntary service.

First, the legislature authorized school districts inthe state to levy an additional 25 cents per resident for youth service activities through their community education programs. That's on top a 50

cent per capita authorization in 1987 for youth service development. This newest option could raise an additional $1.0 million per year and is believed to be the first such state encouragement anywhere for community-based, community funded youth service. More than 200 Minnesota school districts have youth development plans currently in place and approximately 150 will now offer a youth service component.

Second, $150,000 in matching funds was allocated to help colleges support youth service activities that are now underway on more than 20 Minnesota campuses.

Third, $70,000 was added to fund the Minnesota Office on Volunteer Services. Partly, that new money will help the state agency train community groups to use increased student volunteers effectively, an important component to making volutnary service meaningful and valued by both those who volunteer and those who receive the services of volunteers.

And, finally, the Legislature appropriated $400,000 to expand the Minnesota Conservation Corps. This program provides mainly summer jobs, like cutting trails and cleaning up rivers, for low income youth.

In addition to these actions by the 1989 Minnesota Legislature, the State Department of Education has adopted a rule that will require all schools in the state to include youth service in the classroom curriculum and provide youth service opportunities in or out of school. Already, more than 160 school districts have applied for and will receive state aid to prepare for this requirement with workshops.

EXAMPLES OF YOUTH SERVICE PROGRAMS IN MINNESOTA COMMUNITIES

At the grassroots, the strong interest in youth service in Minnesota is evident in communities throughout the state—both small and large, rural and urban. Following is a brief sampling of some of the more creative youth service initiatives in Minnesota:

Waseca Youth Service Leadership Class.—At Waseca High School, the Youth Service Leadership Class is a key part of the state-legislated, locally levied community youth development plan. Students in the class—with leadership training from the National Youth Leadership Council—worked with their teacher to design the curriculum for their own class. Students participating in the class serve in the community four days a week and come together on Mondays to share frustrations as well as inspiration. Some projects for the class include providing leadership training for sixth graders, organizing a food drive, student taught art classes at a nursing home, performing surveys and other research for the Youth Development Advisory Council, and a city-wide clothing drive which filled a truck with clothing for the poor.

University YMCA, University of Minnesota.—Founded in 1887, the University of Minnesota YMCA has been a pioneer in service-learning for more than 100 years. Currently, one of the most popular University Y programs is Project Motivation, which pairs U of M students with 7th and 8th graders who are in need of friendship and/or personal guidance. Under this program, volunteers participate in a three-day orientation and training retreat before starting

the program and continue to meet regularly as a group to discuss issues related to children who are under-nurtured. During the 1988–89 academic year, the University YMCA also helped co-lead a "Community Service and Social Justice" course at the U of M.

Blooming Prairie student EMTs.—For the past three years, Blooming Prairie High School student volunteers have become certified Emergency Medical Technicians (EMTs) and an average of 4–6 students each year have become members of the city's volunteer ambulance service. This is a vital contribution to emergency medical services in a rural community where daytime volunteers are sometimes hard to attract and where ambulance services can make the difference between life and death. Several students have also used their training to obtain part-time jobs with professional ambulance services while going to college.

Teen Outreach Program.—With strong support from the Junior League and other community organizations, Minneapolis public school students age 13 to 16 are combining small group discussions and voluntary service in the community as part of the Teen Outreach program. Goals of the program include increased graduation rates, reducing the incidence of teenage pregnancy, and improving self-awareness and other personal skills. In addition to meeting daily in small discussion groups, the students serve as community volunteers in areas such as neighborhood centers, nursing homes, hospitals, and day care centers. The program is offered at a number of junior and senior high schools in the city including several alternative high schools including those run by Plymouth Youth Center and the Work Opportunity Center.

4–H Alcohol Decisions Program.—Nearly 1000 4–H teens were trained in 40 Minnesota counties last year to plan and conduct alcohol programs for 10–12 year olds in classrooms, 4–H clubs, park programs and other youth organizations. Older students who are trained to receive information on alcohol use and are instructed in how to teach younger children about alcohol and to help them make wise choices. More than 12,000 elementary students were reached during the year through these programs conducted by 4–H volunteers.

Child care awareness in Fairfax.—The Camp Go-Getters 4–H Club found that the number of two-earner households and single parents was growing in rural Renville County. In response, it organized and conducted a community wide babysitting clinic for 4th, 5th and 6th graders, both to help them become better babysitters and to provide them with "survival information" when they stay home alone after and before school. Over 50 young people were trained and informed on safety and emergency information. And the young people taught their peers how to make a babysitting kit of supplies and games; and they gave demonstrations on first aid and responsibilities kids may have to assume if they're home alone.

Metro State's older student program.—A growing number of students in postsecondary schools are outside of the traditional 18–22 age range, presenting additional challenges and opportunities for matching community service with a college curriculum. Metropolitan State University in the Twin Cities is doing just that with a federal community service grant. This program encourages adult students (average age, 35) to undertake significant community serv-

ice projects for college credit. In the second year of the program, enrollment doubled to more than 300 students. Under separate grants from three area foundations, approximately eight students per quarter are awarded $500 stipends for tuition and for some of the costs of the community service projects such as materials and transportation.

PRINCIPLES FOR NATIONAL YOUTH SERVICE LEGISLATION

While time limitations dictated that it not result in a comprehensive youth service proposal, the report of the Minnesota working group on youth service which I recently convened does include a number of principles and recommendations that can help guide both Congress and the Administration on this issue.

Briefly, the Minnesota working group concluded that national youth service legislation must:

1. Support a continuum of voluntary service opportunities, beginning at a young age and integrating educational and self-development objectives for young people which will reap lifeling benefits.
2. Allowing maximum flexibility in awarding federal grants to local communities which promote collaborative youth service projects run by both schools and youth service organizations. Grants should also be administered in ways that maximize the potential for private sector support.
3. Encourage and improve planning, training, information sharing, research and evaluation on a decentralized basis around the country. Young people themselves should be guaranteed a major role in designing these programs.
4. Recognize and encourage the value of bi-partisan national leadership and visibility, especially the kind of leadership and visibility that can only be provided by the President.
5. Clearly distinguish between the varying needs and goals of youth service for different ages of young people and for young people with differing economic circumstances. While agreeing that stipends and other financial assistance may be needed in some instances, the working group felt very strongly that there should be no forced linkage between community service and student aid.

RECOMMENDATIONS FOR IMPROVEMENTS IN THE NATIONAL AND COMMUNITY SERVICE ACT OF 1989

Based on these basic principles, the Minnesota working group then made a series of recommendations, aimed specifically at "The National and Community Service Act of 1980," but also directed to the Bush Administration. Briefly, the working group reommends that both proposals:

1. *Designate the proposed National Service Board as the grant making agency for all youth service programs aimed at school-aged young people.*

This designation would be consistent with parts of the legislation designating the National Service Board as the grantmaking authority for youth service corps (Title II) and the national service dem-

onstration program (Title III). It would give clear focus and accountability for a variety of youth service initiatives in a single independent agency. And—like the Corporation for Public Broadcasting and other quasi-public agencies—it would also provide a more attractive target for private sector funding.

As is clear from the experience in Minnesota, the working group also believes that it is important that a broad range of public, nonprofit, and private sponsors be equally eligible to receive grants for youth service projects—depending on who is most appropriate to provide local leadership in each community. In particular, local youth service organizations, non-public schools, and other non-school agencies need to be in a position to compete on an equal basis with public schools or districts for grants.

2. Earmark specific funds authorized by the legislation for the establishment of three to five regional resource centers for youth service needs assessment, planning, training, research, evaluation, communication, and recognition.

Specifically, the Minnesota work group recommends that the legislation be amended to earmark at least several million dollars for the establishment of three to five regional youth service resource centers located in various parts of the country.

Among the top priority functions of these regional resource centers would be the following:

Assisting states and local communities with needs assessment and planning.

Providing support for networking and information dissemination, including publication of national and regional newsletters and magazines highlighting outstanding examples of youth service projects around the country.

Conducting research and evaluation on youth service, including evaluation of the impact of service experiences on the youth who participate and on the organizations and communities they serve.

Providing leadership development and training at the center for several days to six months and on-site in local communities at workshops and conferences.

Administer award and recognition programs for outstanding youth service projects.

Act as a focal point and communications link for youth service activities, including through the use of a national computer network.

Facilitate national and international communications and networking on youth service experiences through exchange and telecommunications technology.

3. Place a higher priority in the legislation on planning and needs assessment in local communities prior to the awarding of grants to initiate or expand youth service opportunities.

Specifically, the Minnesota working group recommends that planning grants be awarded under the elementary and secondary, post-secondary, youth service demonstration, and youth service corps titles of the legislation; and that carrying out community needs assessment and advance planning for the use

of volunteers to meet those needs be done prior to the awarding of larger grants for youth service projects or demonstration projects.

An important part of this planning process should be involvement of broad segments of the community—including young people—and local evaluation of which educational institutions and youth service agencies are most appropriate to actually carry out the projects designed to expand youth service opportunities.

4. Place a higher priority in the legislation on training for teachers and youth service workers and training for post-secondary student loan and work study workers and administrators.

This would include courses or other training in youth service curriculum development in colleges or schools of education, both for future teachers and for youth service workers. And, it would include special training in youth service placement for individuals who administer student loan and work study programs—especially those involved in demonstrations authorized under Title II of the proposed legislation.

5. National youth service legislation should more explicity be recognized for the role that it can play in waging the nation's war on drugs.

As the Minnesota working group noted in defining its set of principles, one major benefit of youth service is the positive effect it has on self-esteem and the positive use it makes of what can be idle time. These are two important objectives in addressing the core causes of drug abuse among young people. As such, expanded youth service opportunities—including the more structured, intensive, and remunerative experiences possible in youth service corps—can be a major weapon in the nation's effort to reduce demand for drugs.

6. Every effort should be made to adopt national youth service legislation which enjoys broad bipartisan support, including the active support of the President.

The Minnesota working group believes that now is the time for partisan considerations to be permanently put aside and for maximum efforts to be made by both the Bush Administration and Democratic Congressional leaders to identify common elements in their proposals and to move toward a bi-partisan compromise that can be adopted during the 101st Congress. An important first step down this road toward compromise would be the earliest possible formal introduction of legislation incorporating youth service initiatives previously proposed by President Bush.

THE NEED FOR A BI-PARTISAN COMMITMENT TO YOUTH SERVICE LEGISLATION

I whole-heartedly endorse these principles and recommendations and hope that they can be incorporated in the legislation which we ultimately adopt.

I also hope that all those who care deeply about the future of both young people and the nation they will inherit will now join

forces in crafting comprehensive, bipartisan youth service legislation that can be adopted and signed prior to the end of the 101st Congress. That's an objective I'm committed to, and one I'm hopeful can now be a common objective for our colleagues in both the Congress and the Administration.

DAVE DURENBERGER.

X. Changes in Existing Law

In compliance with rule XXVI paragraph 12 of the Standing Rules of the Senate, the following provides a print of the statute or the part or section thereof to be amended or replaced (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

Higher Education Act of 1965

* * * * * * *

DEFINITIONS; DETERMINATIONS

SEC. 411F. For the purpose of this subpart—

(1) * * *

* * * * * * *

(F) Annual adjusted family income does not include any stipend received by a participant in the National Service Demonstration Program established under the National and Community Service Act of 1989.

* * * * * * *

(vi) is a single undergraduate student with no dependents who was not claimed as a dependent by his or her parents (or guardian) for income tax purposes for the 2 calendar years preceding the award year and demonstrates to the student financial aid administrator total self-sufficiency during the 2 calendar years preceding the award year in which the initial award will be granted by demonstrating annual total resouces [(including all sources of resources other than parents)] *(including all sources of resources other than parents and stipends received as a result of participation in the National Service Demonstration Program established under the National and Community Service Act of 1989)* of $4,000; or

* * * * * * *

ALLOTMENT AMONG STATES

SEC. 415B. (a) ALLOTMENT BASED ON NUMBER OF ELIGIBLE STUDENTS IN ATTENDANCE.—(1) * * *

* * * * * * *

(3)(A) In the event the appropriation for this subpart exceeds $75,000,000, the Secretary shall, notwithstanding the provisions of section 415(C)(b)(3)(A), allot 50 percent of such excess to the States for the purpose described in section 415(C)(b)(3)(B).

(B) The Secretary shall make the allotment required under subparagraph (A) on the basis of the number of students participating in campus-based community work learning study jobs assisted under this subpart in each State as compared to the total number of students participating in such jobs in all States.

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SEC. 427. (a) * * *

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(1) * * *

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(ii) that, *subject to the provisions of subparagraph (H),* the note or other written instrument may contain such reasonable provisions relating to repayment in the event of default in the payment of interest or in the payment of the cost of insurance premiums, or other default by the borrower, as may be authorized by regulations of the Secretary in effect at the time the loan is made; and

* * * * * * *

(G)(i) contains a notice of the system, of disclosure of information concerning such loan to credit bureau organizations under section 430A, and (ii) provides that the lender on request of the borrower will provide information on the repayment status of the note to such organizations; [and]

(H) provides (subject to section 432(j) in the case of any student borrower who, prior to the beginning of the repayment period, agrees in writing to volunteer for service under the Peace Corps Act (22 U.S.C. 2501 et seq.) or under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) or for comparable full-time service as a volunteer with a tax exempt organization of demonstrative effectiveness for the payment by the United States of the percent of the amount of loans specified in section 432(j); and

[(H)] *(I)* contains such other terms and conditions, consistent with the provisions of this part and with the regulations issued by the Secretary pursuant to this part, as may be agreed upon by the parties to such loan, including, if agreed upon, a provision requiring the borrower to pay the lender, in addition to principal and interest, amounts equal to the insurance premiums payable by the lender to the Secretary with respect to such loan;

* * * * * * *

SEC. 428. (a) * * *

* * * * * * *

(D) provides that (i) the student borrower shall be entitled to accelerate without penalty the whole or any part of an insured loan, (ii) except as provided in subparagraph (M) of this paragraph, *and subject to subparagraph (V)* the repayment period of any insured loan may not exceed 10 years, and (iii) the note or other written evidence of any

loan, may contain such reasonable provisions relating to repayment in the event of default by the borrower as may be authorized by regulations of the Secretary in effect at the time such note or written evidence was executed;

* * * * * * *

(T) provides no restrictions with respect to eligible institutions (other than nonresidential correspondence schools) which are more onerous than eligibility requirements for institutions under the Federal student loan insurance program as in effect on January 1, 1985, unless—

(i) that institution is ineligible under regulations for the limitation, suspension, or termination of eligible institutions under the Federal student loan insurance program or is ineligible pursuant to criteria issued under the student loan insurance program which are substantially the same as regulations with respect to such eligibility issued under the Federal student loan insurance program; or

(ii) there is a State constitutional prohibition affecting the eligibility of such an institution; [and]

(U) provides (i) for the eligibility of all lenders described in section 435(d)(1) under reasonable criteria, unless (I) that lender is eliminated as a lender under regulations for the limitation, suspension, or termination of a lender under the Federal student loan insurance program or is eliminated as a lender pursuant to criteria issued under the student loan insurance program which are substantially the same as regulations with respect to such eligibility as a lender issued under the Federal student loan insurance program, or (II) there is a State constitutional prohibition affecting the eligiblity of a lender, and (ii) assurances that the guaranty agency will report to the Secretary concerning changes in such criteria, including any procedures in effect under such program to limit, suspend or terminate lender[.]*; and*

(V) provides (subject to section 432(j)) in the case of any student borrower who, prior to the beginning of the repayment period, agrees in writing to serve as a volunteer for service under the Peace Corps Act (22 U.S.C. 2501 et seq.) under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) or for comparable full-time service as a volunteer with a tax-exempt organization of demonstrated effectiveness for the payment by the United States of the percent of the amount of loans specified in section 432(j).

LEGAL POWERS AND RESPONSIBILITIES

SEC. 432. (a) * * *

* * * * * * *

(j) PARTIAL CANCELLATION AUTHORITY.—(1) The Secretary shall enter into an agreement with any student borrower described in section 427(a)(2)(H) or 428(b)(1)(V) under which the borrower agrees to serve as a volunteer under the Peace Corps Act (22 U.S.C. 2501 et

seq.) or under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) or for comparable full-time service as a volunteer with a tax-exempt organization of demonstrated effectiveness.

(2) The agreement under paragraph (1) shall contain provisions designed to assure that—

(A) the Secretary will assume the obligation of paying the percent of any loan made, insured, or guaranteed under this part pursuant to the schedule described in paragraph (5); and

(B) the student borrower who fails to volunteer for service in accordance with the agreement will assume the obligation of paying the amount of any such loan attributable to the period for which the student borrower failed to comply with the agreement.

(3) The Secretary shall in each fiscal year pay to the holder of each loan for which the Secretary assumes responsibility under this subsection the amount specified in paragraph (5).

(4) The Secretary shall waive or suspend any obligation of service or payment of any, or any part of, the loan to which the United States is entitled under paragraph (2)(A) whenever the Secretary determines that compliance by an individual with the agreement is impossible or would involve extreme hardship to the individual.

(5)(A) The percent of a loan which shall be paid by the United States under paragraph (2)(A) of this subsection is 15 percent for the first or second year of service and 20 percent for the third or fourth year of service described in paragraph (1).

(B) If a portion of the loan is paid by the Secretary under this subsection for any year, the entire amount of interest on such loan which accrues for such year shall be paid by the Secretary.

(C) Nothing in this subsection shall be construed to authorize refunding of any repayment on the loan.

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GRANTS FOR WORK-STUDY PROGRAMS

SEC. 443. (a) * * *

* * * * * * *

(5) provides that the Federal share of the compensation of students employed in the work study program in accordance with the agreement will not exceed 80 percent for academic years 1987–1988 and 1988–1989, 75 percent for academic year 1989–1990, [and 70 percent for academic year 1990–1991] *70 percent for academic years 1990–1991 and 1991–1992, and 60 percent for academic year 1992–1993* and succeeding academic years except that—

* * * * * * *

(B) the Federal share of the compensation of the students employed in the work study for community service-learning programs described in section 447 from funds available under paragraph (2)(A) in accordance with the agreement will not exceed [90] *100* percent of such compensation;

TERMS OF LOANS

SEC. 464. (a) TERMS AND CONDITIONS.—(1) * * *

* * * * * * *

(2)(A) * * *

* * * * * * *

(v) is in service, comparable to the service referred to in clauses (iii) and (iv), as a full-time volunteer for an organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code [1954;] *1986;*

* * * * * * *

CANCELLATION OF LOANS FOR CERTAIN PUBLIC SERVICE

SEC. 465. (a) CANCELLATION OF PERCENTAGE OF DEBT BASED ON YERS OF QUALIFYING SERVICE.—(1) * * *

* * * * * * *

(D) as a member of the Armed Forces of the United States, for services that qualifies for special pay under section 310 of title 37, United States Code, as an area of hostilities; [or]

(E) as a volunteer under the Peace Corps Act or a volunteer under the Domestic Volunteer Service Act of 1973[.]*; or*

(F) as a full-time volunteer in service comparable to service refered to in subparagraph (E) for an organization of demonstrated effectiveness which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code 1986.

* * * * * * *

(3)(A) * * *

* * * * * * *

(i) * * *

* * * * * * *

(iii) in the case of service described in subparagraph (D) of paragraph (2), not to exceed a total of 50 percent of such loan at the rate of 12½ percent for each year of qualifying service; [or]

(iv) in the case of service described in subparagraph (E) of paragraph (2) at the rate of 15 percent for the first or second year of such service and 20 percent for the third or fourth year of such service[.]*; or*

(v) in the case of service described in subparagraph (F) of paragraph (2) at the rate of 15 percent for the first or second year of such service and 20 percent of the third or fourth year of such service.

DEFINITIONS

SEC. 480. As used in this part:

(a) * * *

* * * * * * *

(F) is a single undergraduate student with no dependents who was not claimed as a dependent by his or her parents (or

guardian) for income tax purposes for the 2 calendar years preceding the award year and demonstrates to the student financial aid administrator total self-sufficiency during the 2 calendar years preceding the award year in which the initial award will be granted by demonstrating annual total resources [(including all sources of resources other than parents)] of $4,000; or

(f) EXCLUDABLE INCOME.—The term "excludable income" means—

(1) any unemployment compensation received by a dislocated worker certified in accordance with title III of the Job Training Partnership Act; [and]

(2) any student financial assistance awarded based on need as determined in accordance with the provisions of this part, including any income earned from work under part C of this title[.]; *and*

(3) any stipend received by a participant in the National Service Demonstration Program established under the National and Community Service Act of 1989.

* * * * * * *

INSTITUTIONAL AND FINANCIAL ASSISTANCE INFORMATION FOR STUDENTS

SEC. 485. (a) INFORMATION DISSEMINATION ACTIVITIES.—(1) * * *

* * * * * * *

(A) * * *

* * * * * * *

(J) the names of associations, agencies, or governmental bodies which accredit, approve, or license the institution and its programs, and the procedures under which any current or prospective student may obtain or review upon request a copy of the documents describing the institution's accreditation, approval, or licensing; [and]

(K) the standards which the student must maintain in order to be considered to be making satisfactory progress, pursuant to section 484(a)(2)[.]; *and*

(L) the terms and conditions under which students receiving guaranteed student loans under part B of this title or direct student loans under part E of this title, or both, may—

(i) obtain deferral of the repayment of the principal and interest for service under the Peace Corps Act (as established by the Peace Corps Act (22 U.S.C. 2501 et seq.)) or under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.), or for comparable full-time service as a volunteer for a tax-exempt organization of demonstrated effectiveness, and

(ii) obtain partial cancellation of the student loan for service under the Peace Corps Act (as established by the Peace Corps Act (22 U.S.C. et seq.)) or under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.).

(b) EXIT COUNSELING FOR BORROWERS.—Each eligible institution shall, through financial aid officers or otherwise, make available counseling to borrowers (individually or in groups) of loans which are made, insured, or guaranteed under part B of this title (other than loans made pursuant to section 428B) of this title or made under part E of this title prior to the completion of the course of study for which the borrower enrolled at the institution or at the time of departure from such institution. The counseling required by this subsection shall include—

(1) general information with respect to the average indebtedness of students who have loans under part B or part E; [and]

(2) the average anticipated monthly repayments, a review of the repayment options available, together with such debt and management strategies as the institution determines are designed to facilitate the repayment of such indebtedness[.]; *and*

(3) the terms and conditions under which the student may obtain partial cancellation or defer repayment of the principal and interest for service under the Peace Corps Act (as established by the Peace Corps Act (22 U.S.C. 2501 et seq.)) or under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) or for comparable full-time service as a volunteer for a tax-exempt organization of demonstrated effectiveness.

* * * * * * *

(d) DEPARTMENTAL PUBLICATION OF DESCRIPTIONS OF ASSISTANCE PROGRAMS.—The Secretary shall make available to eligible institutions, eligible lenders, and secondary schools descriptions of Federal student assistance programs including the rights and responsibilities of student and institutional participants, in order to (1) assist students in gaining information through institutional sources, and (2) assist institutions in carrying out the provisions of this section, so that individual and institutional participants will be fully aware of their rights and responsibilities under such programs. In particular, such information shall include information to enable students and prospective students to assess the debt burden and monthly and total repayment obligations that will be incurred as a result of receiving loans of varying amounts under this title. In addition, such information shall include information to enable borrowers to assess the practical consequences of loan consolidation, including differences in deferment eligibility, interest rates, monthly payments, and finance charges, and samples of loan consolidation profiles to illustrate such consequences. *The Secretary shall provide information on the specific terms and conditions under which students may obtain partial cancellation or defer repayment of loans for service under the Peace Corps Act (as established by the Peace Corps Act (22 U.S.C. 2501 et seq.)) and Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) or for comparable full-time service as a volunteer with a tax-exempt organization of demonstrated effectiveness, shall indicate (in terms of the Federal minimum wage) the maximum level of compensation and allowances which a student borrower may receive from a tax-exempt organization to qualify for a deferment, and shall explicitly state that students may qualify*

for such partial cancellations or deferments when they serve as a paid employee of a tax-exempt organization. Such information shall be provided by eligible institutions and eligible lenders at any time that information regarding loan availability is provided to any student.

NATIONAL STUDENT LOAN DATA SYSTEM

SEC. 485B. (a) * * *

* * * * * * *

(1) * * *

* * * * * * *

(3) the guaranty agency responsible for the guarantee of the loan in the case of loans made, insured, or guaranteed under part B; [and]

(4) the institution of higher education or organization responsible for loan made under part E[.]; *and*

(5) the exact amount of loans partially canceled or in deferment for service under the Peace Corps Act (22 U.S.C. 2501 et seq.), for service under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.), and for comparable full-time service as a volunteer for a tax-exempt organization of demonstrated effectiveness.

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PROGRAM PARTICIPATION AGREEMENTS

SEC. 487. (a) * * *

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(1) * * *

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(7) The institution will comply with the requirements of second 485, *particularly the requirements of subsection (a)(1)(L) of such section.*

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[PART C—INNOVATIVE PROJECTS FOR COMMUNITY SERVICES AND STUDENTS FINANCIAL INDEPENDENCE

[STATEMENT OF PURPOSE

[SEC. 1061. It is the purpose of this part to support innovative projects in order to determine the feasibility of encouraging student participation in community service projects in exchange for educational services or financial assistance and thereby reduce the debt acquired by students in the course of completing postsecondary education programs.

[(20 U.S.C. 1135e) Enacted October 17, 1986, P.L. 99-498, sec. 1003, 100 Stat. 1567.

[INNOVATIVE PROJECTS FOR COMMUNITY SERVICES AND STUDENT FINANCIAL INDEPENDENCE

[SEC. 1062. (a) GENERAL AUTHORITY.—The Secretary is authorized, in accordance with the provisions of this part, to make grants to and contracts with institutions of higher education (including combinations of such institutions) and with such other public agencies and nonprofit private organizations as the Secretary deems necessary for innovative projects designed to carry out the purpose of this part.

[(b) APPLICATIONS.—No grant may be made and no contract may be entered into under this section unless an application is made at such time, in such manner, and contained or accompanied by such information as the Director may require.

[(c) APPLICABLE PROCEDURES.—(1) No application may be approved under subsection (b) unless the National Board of the Fund for Improvement of Postsecondary Education, under procedures established by the Director, approves the application.

[(2) The provisions of section 1004(b) shall apply to grants made under this part.

[(20 U.S.C. 1135e-1) Enacted October 17, 1986, P.L. 99-498, sec. 1003, 100 Stat. 1567.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 1063. (a) There are authorized to be appropriated to carry out this part, $3,000,000 for fiscal year 1987, and such sums as may be necessary for the 4 succeeding fiscal years.

[(b) No funds may be appropriated pursuant to subsection (a) for any fiscal year unless funds are appropriated for part A of this title for such fiscal year.]

PART C—INNOVATIVE PROJECTS FOR COMMUNITY SERVICE

STATEMENT OF PURPOSE

SEC. 1061. It is the purpose of this part to support innovative projects to determine the feasibility of encouraging student participation in community service activities before, during, or after the completion of such student's higher education.

INNOVATIVE PROJECTS FOR COMMUNITY SERVICE

SEC. 1662. (a) GENERAL AUTHORITY.—The Secretary is authorized, in accordance with the provisions of this part, to make grants to, and contracts with, institutions of higher education (including combinations of such institutions), and other public agencies and nonprofit organizations working in partnership with institutions of higher education, for purposes including, but not limited to—

(1) encouraging students to participate in community service activities that will engender a sense of social responsibility and commitment to the community;

(2) creating opportunities for students to engage in community service activities in exchange for financial assistance that reduces the debt acquired by students in the course of completing postsecondary education;

(3) encouraging student-initiated and student-designed community service projects; and

(4) encouraging the integration of community service into academic curricula.

ADMINISTRATIVE PROVISIONS

SEC. 1063. (a) APPLICATION.—No grant may be made, and no contract may be entered into, under section 1062 unless an application is made to the Director of the Fund for Improvement of Postsecondary Education (hereinafter referred to as the "Director") at such time, in such manner, and contained or accompanied by such information as the director may reasonably require.

(b) Consistent with the provisions of section 1003(c), the National Board of the Fund for the Improvement of Postsecondary Education shall advise the Director on programs, priorities, and the selection of projects developed under the authority of section 1062.

(c) TECHNICAL EMPLOYEES.—(1) The Secretary may appoint, for terms not exceed 3 years, without regard to the provisions of title 5 of the United Code governing appointments in the competitive service, technical employees to adminsiter this title who may be paid without regard to the provisions of chapter 51, and subchapter III of chapter 53 of such title relating to classification and General Schedule pays rates.

(2) The Secretary may appoint no more than 1 technical employee for each $2,000,000 appropriated under section 1064.

(d) The provisions of section 1004(b) shall apply to grants made under section 1062.

AUTHORIZATION OF APPROPRIATIONS

SEC. 1064. There are authorized to be appropriated to carry out this part, $35,000,000 for fiscal year 1991, and such sums as may be necessary for each of the 4 succeeding years.

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DOMESTIC VOLUNTEER SERVICE ACT OF 1973

(Public Law 93-113)

* * * * * * *

PART D—GENERAL PROVISIONS

COORDINATION WITH OTHER FEDERAL PROGRAMS

SEC. 221. * * *

* * * * * * *

SEC. 225. PROGRAMS OF NATIONAL AND LOCAL SIGNIFICANCE.

(a) IN GENERAL.—The Director shall establish, within each program authorized under this title, a program for making grants to support programs that address national problems on a local level.

(b) USE OF GRANTS.—The recipient of a grant under the program establish under subsection (a) shall use such grant to provide creative solutions to urgent problems.

(c) AWARDING OF GRANTS.—

(1) ESTABLISHMENT OF PROGRAM.—There is established the "Programs of National and Local Significance" program. Under the programn, the Director shall award grants each year to programs administered under this title to respond to an identified community need.

(2) AWARDS.—

(A) IN GENERAL.—The grants authorized under paragraph (1) may be awarded to both existing and new projects.

(B) LIMITATION.—A grant under paragraph (1) may not exceed $150,000 per year.

(3) CRITERIA FOR AWARDING GRANTS.—

(A) IN GENERAL.—Under the program established under paragraph (1), the Director shall award grants based on a demonstration by an applicant that such grant will enable such applicant to uniquely and effectively respond to an identified community need.

(d) USE OF GRANTS.—A program receiving a grant under subsection (a) shall demonstrate that assistance provided by such grants shall be used to increase—

(1) the total number of volunteers supported by such projects; and

(2) the number of volunteers in such projects engaged in responding to the identified community need referred to in subsection (g) for which such grant was made.

(e) DISSEMINATION OF INFORMATION.—The Director shall disseminate information on the Programs of National and Local Significance established under this section to field personnel of the ACTION Agency and other community volunteer organizations that request such information.

(f) PRIORITY.—Priority for grants under this section shall be given to the following programs of national significance—

(1) programs that assist individuals with chronic and debilitating illnesses such as immune deficiency syndrome;

(2) programs designed to decrease drug and alcohol abuse;

(3) programs that work with teenage parents;

(4) mentoring programs that match senior volunteers with youth who need guidance;

(5) adult and school-based literacy programs;

(6) respite care, including care for frail elderly individuals and disabled or chronically ill children living at home;

(7) before and after-school programs, sponsored by organizations such as libraries, that serve children of working parents;

(8) programs working with boarder babies;

(9) programs serving children who are enrolled in child care programs with priority given to those serving children with special needs; and

(10) the provision of care to developmentally disabled adult individuals residing in home and community-based settings, and when appropriate, the involvement of older developmentally disabled individuals as Older American Volunteer Program volunteers.

(g) FUNDING.—

(1) AMOUNTS TO BE MADE AVAILABLE.—Notwithstanding any other provision of law, the Director shall make amounts under section 502 available to carry out this section.

(2) DIRECTOR.—The Director shall not make grants under this section within a program authorized under this title unless the amount appropriated under section 502 for such program, for the fiscal year that such grants are made, exceeds 105 percent of the amount appropriated for the preceding fiscal year for such program.

* * * * * * *

SEC. 501. (a)[(1) There is authorized to be appropriated to carry out part A of title I (except section 109) $25,000,000 for fiscal year 1987, $26,000,000 for fiscal year 1988, and $27,040,000 for fiscal year 1989.] *(1) There are authorized to be appropriated to carry out part A of title I (except section 109) $30,600,000 for fiscal year 1990, $39,909,000 for fiscal year 1991, $47,800,900 for fiscal year 1992, and $56,500,000 for fiscal year 1993.*

* * * * * * *

SEC. 502 (a) There is authorized to be appropriated $31,100,000 for fiscal year 1986, $32,000,000 for fiscal year 1987, $33,280,000 for fiscal year 1988, [and] $34,610,000 for fiscal year 1989 *$39,900,000 for fiscal year 1990, $43,900,000 for fiscal year 1991, $48,300,000 for fiscal year 1992, and $53,100,000 for fiscal year 1993,* for the purpose of carrying out programs under part A of title II of this Act.

(b) There is authorized to be appropriated $58,700,000 for fiscal year 1986, $60,000,000 for fiscal year 1987, $62,400,000 for fiscal year 1988, [and] $64,900,000 for fiscal year 1989, *$70,800,000 for fiscal year 1990, $80,900,000 for fiscal year 1991, $91,700,000 for fiscal year 1992, and $98,200,000 for fiscal year 1993,* for the purpose of carrying out programs under part B of title II of this Act.

(c) There is authorized to be appropriated $28,600,000 for fiscal year 1986, $29,740,000 for fiscal year 1987, $30,930,000 for fiscal year 1988, [and] $32,170,000 for fiscal year 1989, *$36,600,000 for fiscal year 1990, $39,000,000 for fiscal year 1991, $44,700,000 for fiscal year 1992, and $48,700,000 for fiscal year 1993,* for the purpose of carrying out part C of title II of this Act.

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